



**Annual Report**  
**2020-21**



# INSIDE THIS REPORT

## CORPORATE OVERVIEW

|   |    |
|---|----|
| Company Synopsis                          | 02 |
| Operational Highlights                    | 03 |
| Chairman's Message                        | 04 |
| Board of Directors<br>and Management Team | 06 |
| Corporate Information                     | 07 |
| CSR Initiatives                           | 08 |

## STATUTORY REPORTS

|                                       |    |
|---------------------------------------|----|
| Management Discussion<br>and Analysis | 09 |
| Board's Report                        | 14 |

## FINANCIAL STATEMENTS

|                                      |    |
|--------------------------------------|----|
| Standalone Financial<br>Statements   | 30 |
| Consolidated Financial<br>Statements | 65 |

### Disclaimer Regarding Forward-Looking Statements

We have used a few forward-looking (futuristic) statements throughout the report solely to articulate our future growth prospects and to exemplify our intended milestones. However, the actual results may vary from the forward-looking statements as the business is subject to a number of risks and uncertainties according to the market scenario. For reader's reference, we have used words like 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar nature to signify every forward-looking statement. We do not guarantee that these statements will stand true, but we believe that these are backed up by prudent assumptions. The achievement of the result may vary due to risks, uncertainties and inaccurate assumptions. If in case, certain unforeseen risks or uncertainties dominate the market or any of the assumptions proved erroneous, then the final result may vary exponentially with respect to the anticipated, estimated or projected result. Thus, the readers should bear this in their mind.

We undertake no obligation to update any forward-looking statements publically, if there is any change in future events, there is new information, or whatsoever.

# COMPANY SYNOPSIS

## CORPORATE OVERVIEW

- Raunaq EPC International Limited (REIL) established in 1965 is a Company under Surinder P. Kanwar Group.
- Group Companies include Bharat Gears Limited, Clip-Lok Simpak (India) Private Limited and Xlerate Driveline India Limited.
- REIL has a 24.91% stake in Xlerate Driveline India Limited which carries out the business of manufacturing of Automotive Clutch Systems.

## EPC BUSINESS

- Industrial Piping systems for:
  - Power plant piping
  - Utility Industrial piping
  - Large Dia piping
  - Ash/sludge disposal piping
  - Process piping
- Cross country pipeline and piping systems
- Storage tanks and oil handling systems
- Ash water recirculation systems
- Compressed air systems
- Fire water systems
- Site fabrication and equipment erection works

## REIL CLIENTELE

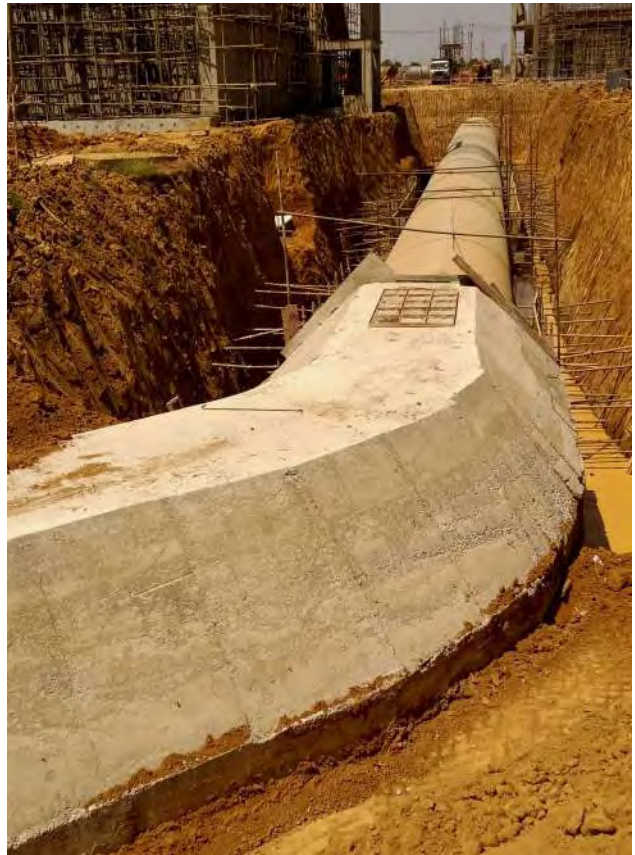
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# OPERATIONAL HIGHLIGHTS

## REIL - PROJECTS EXECUTION

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2020-21 include

- Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660MW for GE Power Systems has been delayed due to Pandemic.
- Fabrication and erection of Large Dia CW piping system at 1x660 MW Harduaganj extension – II project for Toshiba has been commissioned.
- Additional Ash water re-circulation project at NTPC Ramagundam 2600 MW.





#### Chairman's Message

Dear Shareholders,

Greetings to all of you. I hope this message finds you and your loved ones healthy and safe. This year has been a challenging year and we have proved our mettle countering it. The pandemic has disrupted the businesses worldwide to rethink their strategies and change the way forward.

The impact of the COVID-19 crisis on the global as well as domestic economy has been unprecedented and largely disruptive. Overall business environment remained subdued with demand resting in almost all sectors. However, the second half of the year saw a quicker and remarkable recovery due to unlocking of restrictions, pick-up in economic activity, favourable government reforms and mass disbursement of vaccine to halt the spread of the virus. Uncertainty about the second wave of coronavirus infections along with restrictions on movement and trajectory of vaccination drives; however, may threaten the economic recovery.

Construction companies across the board will have to contend with decreased demand as governments face rising deficits and residential and commercial projects are dampened by unemployment and low GDP growth. Although some companies may be able to execute on the backlog of projects, the pipeline is expected to be weak for the foreseeable future. This suggests:

- Construction companies with high levels of debt and low cash reserves may face a liquidity crisis.
- As smaller businesses, sub-contractors may fail rapidly.
- Contract management will come into sharp focus, as customers seek to terminate or renegotiate contracts.
- Internationalization will become less viable as companies reconsider the regions in which they want to operate, and countries put more restrictions on foreign companies.

Covid-19 has impacted the revival of your Company, which has been struggling to mark its way in the water segment and closing out the existing projects in hand. Covid-19 has slowed down the process and

further stressed the financial condition. We have not able to bag any order during the current year and the Company has only executed the current projects that too have been disrupted during the Covid-19 first and second waves due to Lockdown at the project sites, which has impacted the revenues and financials of the Company. On standalone basis, the Company has registered Rs. 1509.69 Lakhs as compared to the total revenue of the Company of Rs. 2222.00 Lakhs in FY 2019-20, which is 32% down from the previous year. With the Government's Atamnirbhar scheme, the Company has been benefited with a reduction of performance guarantee margin money from 10% to 3% for one job and for others jobs, it is in progress. This has eased out to some extent the liquidity pressure over the current projects of the Company.

Further, in order to have some liquidity, the Company has disposed of substantial investment in Equity Shares of 75.09% in Xlerate Driveline India Limited, a whole owned subsidiary Company and cleared off their major debts.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2020-21 include:

- Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660MW for GE Power Systems has been delayed due to Pandemic.
- Fabrication and erection of Large Dia CW piping system at 1x660 MW Harduaganj extension Ś II project for Toshiba has been commissioned
- PG testing underway for the additional ash water re-circulation project at NTPC Ramagundam 2600 MW.

## PORTFOLIO EXPANSION

Your Company has been trying to diversify itself by entering into water distribution segment for which your Company is exploring many ways and means to bid for the projects under partnership and in collaboration with Companies which are already into this segment.

Simultaneously, the Company is focused to effectively complete the current projects under execution within time.

## BUSINESS OUTLOOK

The outlook for the economy seems favourable with revival in consumer sentiment, strong policy support and positive vaccination drives. The recently announced national budget has rightly focused on some of the key elements that will be foundational for charting India's growth pathway. Special focus and fund allocation for infrastructure in rural areas; digitisation across the agriculture value chain; improvement of healthcare outcomes; vehicle scrappage policyŚ are all expected to pump-prime the economy, along with agriculture and construction sectors.

We will constantly strive for timely execution of jobs with best engineering capabilities available and we are focusing on the water distribution system as this sector holds ample potential in a country like India wherein the Government's main thrust is to provide better connectivity of water resources under their key projects for irrigation, drinking and interlinking the rivers. The said scope has led to increase the orders in pipeline and your Company can be benefited out of it.

## CLOSING REMARK

I would like to spread out my sincerest gratitude to our employees, customers, partners, business associates and our stakeholders for their undying faith and support. Each one has been a part of our exciting and enriching journey. We continue to seek value creation for our stakeholders and persevere in building a sustainable business. Here is hoping for a brighter and stronger future together.

Warm Regards,



**Surinder Paul Kanwar**  
**Chairman & Managing Director**

# BOARD OF DIRECTORS AND MANAGEMENT TEAM

## BOARD OF DIRECTORS



**Mr. Surinder Paul Kanwar**  
Chairman & Managing Director



**Mr. Sachit Kanwar**  
Executive Director-Operations



**Mr. Sameer Kanwar**  
Non-Executive Director



**Dr. Sanjeev Kumar**  
Non-Executive Independent Director



**Ms. Seethalakshmi  
Venkataraman**  
Non-Executive  
Independent Director



**Mr. Rajiv Chandra Rastogi**  
Non-Executive  
Independent Director



**Mr. Naresh Kumar Verma**  
Non-Executive Director

## MANAGEMENT TEAM



**Mr. Rajan Malhotra**  
Chief Executive Officer



**Mr. A.D. Jain**  
Vice President (Construction)



**Mr. Nitin Jain**  
DGM (Sales & Marketing)

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

**Mr. Surinder Paul Kanwar**, Chairman & Managing Director

**Mr. Sachit Kanwar**, Executive Director-Operations

### Non-Executive Directors

**Mr. Sameer Kanwar**

**Mr. Naresh Kumar Verma**

### Independent Directors

**Dr. Sanjeev Kumar**

**Ms. Seethalakshmi Venkataraman**

**Mr. Rajiv Chandra Rastogi**

### AUDIT COMMITTEE

Dr. Sanjeev Kumar

Mr. Rajiv Chandra Rastogi

Ms. Seethalakshmi Venkataraman

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

### NOMINATION & REMUNERATION COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Rajiv Chandra Rastogi

Mr. Naresh Kumar Verma

### FINANCE COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

Mr. Rajiv Chandra Rastogi

### SHARE ISSUE COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

Mr. Rajiv Chandra Rastogi

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

Mr. Rajiv Chandra Rastogi

### BUSINESS STRATEGY COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

### SENIOR MANAGEMENT

Mr. Rajan Malhotra, *CEO*

Mr. A.D. Jain

Mr. Nitin Jain

### AUDITORS

M/s B.R. Maheswari & Co. LLP

### CHIEF FINANCIAL OFFICER

Mr. Kailash Chandra Yadav

### COMPANY SECRETARY

Ms. Rashmi Aswal

(Resigned w.e.f. 30 June, 2021)

### BANKERS

State Bank of India

ICICI Bank Ltd.

IndusInd Bank Ltd.

### REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

Noble Heights, 1<sup>st</sup> Floor, Plot No. NH-2,

C-1 Block LSC, Near Savitri Market,

Janakpuri, New Delhi-110 058

Ph: 011-41410592-94, 49411000

Fax: 011-41410591

E-mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

### REGISTERED OFFICE

20 K.M. Mathura Road, P. O. Amar Nagar,

Faridabad - 121 003 (Haryana)

### OTHER OFFICES

- 1009, Surya Kiran Building,

19, Kasturba Gandhi Marg,

New Delhi - 110 001

- 14th Floor, Hoechst House, Nariman Point,

Mumbai - 400 021

- G-6, 1, Crooked Lane,

Kolkata - 700 069



**In FY15, the Company's Board of directors approved the Corporate Social Responsibility (CSR) policy on the recommendation of the CSR committee in terms of provisions of Section 135 of the Companies Act, 2013. The said policy is available on the website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com/pdf/corporate_social_responsibility_CSR_policy.pdf) under the link: [http://www.raunaqinternational.com/pdf/corporate\\_social\\_responsibility\\_CSR\\_policy.pdf](http://www.raunaqinternational.com/pdf/corporate_social_responsibility_CSR_policy.pdf). The broader activities proposed to be undertaken by the Company are incorporated under the CSR policy in line with the activities prescribed under the Schedule VII of the Companies Act, 2013. These include:**

- ✿ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation (including contribution to the Swachh Bharat Kosh set-up by the Central Government for promotion of sanitation) and making available safe drinking water.
  - ✿ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
  - ✿ Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
  - ✿ Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga).
  - ✿ Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries; promotion and development of traditional arts and handicrafts.
  - ✿ Measures for the benefit of armed forces veterans, war widows and their dependents.
  - ✿ Training to promote rural sports, nationally recognized sports, Paralympic and Olympic sports.
  - ✿ Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare or the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
  - ✿ Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
  - ✿ Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
  - ✿ Rural Development projects.
  - ✿ Slum area development.
  - ✿ Disaster management, including relief, rehabilitation and reconstruction activities.
- Due to the loss during the previous years, the Company has not spent on CSR activities during the year 2020-21.
- Nevertheless, the Company continued contributing to the lives of all its stakeholders in many different ways. This forms an integral part of the activities as enumerated in the CSR policy of the Company which it adopted after the enactment of the Companies Act, 2013.

# Management Discussion and Analysis

## ECONOMIC OVERVIEW

### Global Economy

High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature.

The International Monetary Fund (IMF), in its World Economic Outlook, April 2021, calculated a global economic growth of -3.30 % in 2020, a significant fall from 2.80 % in 2019.

Source : <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

### Global Economic Growth

(in %)

| Output  | 2019 | 2020  | 2021P | 2022P |
|---|------|-------|-------|-------|
| World output                                      | 2.80 | -3.30 | 6.00  | 4.40  |
| Advanced Economies                                | 1.60 | -4.70 | 5.10  | 3.60  |
| Emerging Markets and Developing Economies (EMDEs) | 3.60 | -2.20 | 6.70  | 5.00  |

Source: IMF World Economic Outlook, April 2021

P=Projections

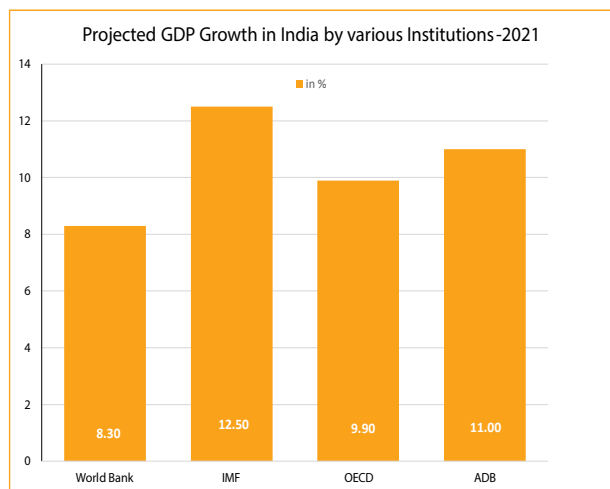
The second wave of the pandemic has resulted in distress health and economic crisis the global economy appears to be emerging from one of its deepest recessions. Substantial fiscal and monetary stimulus packages have been provided by the government and central banks across the world have been playing a pivotal role in this recovery. With the support of the improvement in business environment post lockdown relaxations, increasing labour and product market availability, and the governments' thrust on increasing economic and trade activities, the global recovery is expected to gain traction moving forward. Successful vaccination programmes are expected to further boost investor sentiments leading to kickstart private capital inflows and fixed capital formation. Backed by the improving macro-economic indicators, the International Monetary Fund (IMF) estimates the global economy to grow at 6.00 % in CY 2021.

### Indian Economy

The outbreak of the novel coronavirus impacted the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.90 per cent in the first quarter of 2020-21, the sharpest de-growth experienced by the Country since the index was prepared. The Indian and state governments selectively lifted

controls on movement, public gatherings and events from June, 2020 onwards. The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India - real estate, steel, cement, home building products and consumer durables, among others reported unprecedented growth. India de-grew at a relatively improved 7.50 per cent in the July-September quarter and reported 0.40 per cent growth in the October-December quarter.

India's GDP contracted initially and then recovered in January-March quarter of 2020-21. This recovery, one of the most decisive among major economies validated India's long-term consumption potential. The International Monetary Fund (IMF) has raised its projection for India's economic growth in the current financial year to 12.50 per cent. The Outlook stated that as the vaccination drive continuously upscales in India and guided by the learnings of India's successful management of pandemic during its first wave and challenges faced during the second wave, India is now well armed to combat any downside risk posed by the recent surge in Covid-19 cases.



Source: <https://ambitiousbaba.com/indias-gdp-growth-forecast-fy-21-and-22-by-various-financial-organizations>

## INDUSTRY OVERVIEW

### Infrastructure Sector

#### Introduction

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the Country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development.

## Market Size

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development sector (townships, housing, built up infrastructure and construction development projects) and construction (infrastructure) activities stood at US\$ 25.78 billion and US\$ 17.22 billion respectively, between April, 2000 and September, 2020.

## Investment Scenario

In Union Budget 2021, the Government has given a massive push to the infrastructure sector by allocating ₹ 2,33,083 crore (US\$ 32.02 billion) to enhance the transport infrastructure. The Government expanded the 'National Infrastructure Pipeline (NIP)' to 7,400 projects. 217 projects worth ₹ 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020. In Budget 2021, the Government announced the following interventions under Pradhan Mantri Aatmanirbhar Swasth Bharat Yojana (PMANSY):

- An outlay of ₹ 64,180 crore (US\$ 8.80 billion) over six years to strengthen the existing 'National Health Mission' by developing capacities of primary, secondary & tertiary care and healthcare systems & institutions to detect and cure new and emerging diseases.
- This scheme will strengthen 17,000 rural and 11,000 urban health and wellness centres.
- Setting up integrated public health labs in all districts and 3,382 block public health units in 11 states.
- Establishing critical care hospital blocks in 602 districts and 12 central institutions.
- Strengthening the NCDC (National Centre for Disease Control) to have five regional branches and 20 metropolitan health surveillance units.
- Expanding integrated health information portal to all states/UTs.
- Rolling out the pneumococcal vaccine, a 'Made in India' product, across the Country.
- ₹ 35,000 crore (US\$ 4.80 billion) has been allocated for COVID-19 vaccines in FY22.

## Key Growth Driver - National Infrastructure Pipeline (NIPFY 2020-25)

Government had launched the National Infrastructure Pipeline (NIP) for the FY 2020-2025 to facilitate world class infrastructure projects to be implemented. This first of its kind initiative will boost the economy, generate better employment opportunities, and drive the competitiveness of the Indian economy. The NIP was launched with the projected infrastructure investment of ₹ 111 lakh crore (\$1.5 trillion) during the period 2020-2025. It is jointly funded by the Central Government, State Government, and the private sector.

## Impact of Covid -19 on the Engineering & Construction Sector

As the effects of COVID-19 are felt around the world, public construction has been one of the few activities that has been maintained to some extent. Activity will likely continue in the very short-term because the lockdown in several countries hasn't been total and companies are

willing to continue executing their contracts in order to avoid liquidation damages. However, work is expected to halt soon as supply chains are disrupted by a shortage of subcontractors and materials, and public agencies and administrations begin to terminate contracts to control expenses. In the residential and non-residential subsectors, the situation is different. Entities in these subsectors (for example, individuals, retail companies, and small businesses) are facing significant short-term stress and, with little choice but to conserve cash, many of these have already stopped projects.

## Potential long-term impact on Construction companies

Longer-term construction companies across the board will have to contend with decreased demand as governments face rising deficits and residential and commercial projects are dampened by unemployment and low GDP growth. Although some companies may be able to execute on the backlog of projects, the pipeline is expected to be weak for the foreseeable future. This suggests:

- Construction companies with high levels of debt and low cash reserves may face a liquidity crisis.
- As smaller businesses, sub-contractors may fail rapidly.
- Contract management will come into sharp focus, as customers seek to terminate or renegotiate contracts.
- Internationalization will become less viable as companies reconsider the regions in which they want to operate, and countries put more restrictions on foreign companies.

## Power Sector

### Introduction

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, agricultural and domestic waste. Electricity demand in the Country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the Country, massive addition to the installed generating capacity is required.

In May, 2018, India ranked fourth in the Asia Pacific region out of 25 nations on an index that measures their overall power. India is ranked fourth in wind power, fifth in solar power and fifth in renewable power installed capacity as of 2018. India ranked sixth in list of countries to make most investments in clean energy with US\$ 90 billion.

### Market Size

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the Country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

By 2022, solar energy is estimated to contribute 114 GW, followed by 67 GW from wind power and 15 GW from biomass and hydropower. The target for renewable energy has been increased to 227 GW by 2022.

Total installed capacity of power stations in India stood at 377.26 GW as of November, 2020. Electricity production reached 1,252.61 billion units (BU) in FY20.

## Investment Scenario

Between April, 2000 and September, 2020, the industry attracted US\$ 15.23 billion in Foreign Direct Investment (FDI), accounting for three per cent of total FDI inflows in India.

Some major investments and developments in the Indian power sector are as follows:

- In December, 2020, the Asian Development Bank (ADB) and the Government of India signed a US\$ 100 million loan to modernise and upgrade the power distribution system for enhancing the quality and reliability of electricity supply in Bengaluru, Karnataka.
- In January, 2021, Tata Power received a letter of award (LOA) from Kerala State Electricity Board Limited (KSEBL) to develop a 110 MW solar project. With this, Tata Power's renewable capacity will increase to 4,032 MW, out of which 2,667 MW is operational and 1365 MW is under implementation, including 110 MW won under this LOA.
- In March, 2020, the Central Government signed virtual agreement to conclude strategic sales in Kamarajar Port Limited, THDC India Limited and North Eastern Electric Power Corporation Limited (NEEPCO), and it will receive ₹ 13,500 crore (US\$ 1.93 billion) from these deals.
- In December, 2019, NTPC announced investment of ₹ 50,000 crore (US\$ 7.26 billion) to add 10 GW solar energy capacity by 2022.
- In August, 2019, Sembcorp Industries, the Singapore-based energy made an equity infusion of ₹ 521 crore (US\$ 101.6 million) into Sembcorp Energy India Limited.
- Brookfield to invest US\$ 800 million in ReNew Power.
- ReNew Power and Shapoorji Pallonji will invest nearly ₹ 750 crore (US\$ 0.11 billion) in a 150 Megawatt (MW) floating solar power project in Uttar Pradesh.
- The Government of India is expected to offer nearly 20 power transmission projects worth ₹ 16,000 crore (US\$ 2.22 billion) for bidding in 2019.

## The Road Ahead

The Government of India has released its roadmap to achieve 227 GW capacity in renewable energy (including 114 GW of solar power and 67 GW of wind power) by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 Gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power-generation capacity in India, which currently stands at 199.5 GW is expected to witness total installed capacity addition of 47.86 GW by 2022.

## Key Growth Driver - Integrated Power Development Scheme (IPDS)

The Government of India approved the Integrated Power Development Scheme (IPDS) to facilitate state utilities to ensure quality and reliable 24x7 power supply in the urban areas with a total outlay of ₹ 32,612 crores. So far, projects worth ₹ 30,991 crores have been sanctioned to the States and the distribution strengthening has been completed in 442 of the 546 circles till the end of September, 2020.

Commendable progress has been made in the generation and transmission of electricity in India. The total installed capacity has increased from 3,56,100 MW in March, 2019 to 3,70,106 MW in March, 2020. Further, the generation capacity increased to 3,73,436 MW in October, 2020 and comprised of 2,31,321 MW 300 Economic Survey 2020-21 Volume 2 of thermal, 45,699 MW of hydro, 6,780 MW of nuclear, and 89,636 MW of renewables and others. The capacity addition in the power sector was mainly driven by the Government in FY20.

## Impact of Covid-19 on the Power Sector

As the effects of COVID-19 ripple across the globe, power, utilities & renewables (PU&R) companies are understandably focused on keeping their assets online and providing safe, reliable supplies of electricity and natural gas. Many Power, Utilities & Renewables (PU&R) companies are being proactive in helping their communities by deferring payments, suspending shut-offs and providing free supplies to unemployed people and hospitals. Overall, demand has declined but it has not collapsed. The most significant impact is being felt in manufacturing and production centers where industrial demand has decreased, but there is an increase in residential customer demands. Owing to the decrease in demand, prices in electricity wholesale markets have decreased, along with LNG and CO2 prices. On the renewables side, many companies have been suffering from disruption in the supply chain over the last two months. However, the recovery of activity in China will reduce significantly the impact in the near term.

<https://www.investindia.gov.in/sector/thermal-power>

## COMPANY REVIEW

### Raunaq EPC International Limited (REIL)

During the year under review, in order to bring down the debts of the Company, the Company has disposed off substantial investment in Equity Shares of 75.09% in Xlerate Driveline India Limited a whole owned subsidiary Company to Mr. Sachit Kanwar, Executive Director - Operations (earlier Joint Managing Director) of the Company.

Currently, the Company holds 24.91% Equity Shares in XDIL. And XDIL is considered as an associate of the Company, and for consolidation only profit has been considered proportionate to the investment in XDIL.

The Company has not able to bag any order during the year and the Company has only executed the current projects that too have been disrupted during the Covid-19 first and second waves due to Lockdown at the project sites, which has impacted the revenues and financials of the Company. On standalone basis, the Company has registered ₹ 1509.69 Lakhs as compared to the total revenue of the Company of ₹ 2222.00 Lakhs in FY 2019-20, which is 32% down from the previous year. With the Government's Atamnirbhar scheme, the Company has been benefited with a reduction of performance guarantee

margin money from 10% to 3% for one job and for others jobs, it is in progress. This has eased out to some extent the liquidity pressure over the current projects of the Company.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2020-21 include:

- Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660MW for GE Power Systems has been delayed due to Pandemic.
- Fabrication and erection of Large Dia CW piping system at 1x660 MW Harduaganj extension - II project for Toshiba has been commissioned.
- PG testing underway for the additional ash water re-circulation project at NTPC Ramagundam 2600 MW.

### Significant Changes in Key Financial Ratios during the Financial Year 2020-21

| PARTICULARS              | 2020-21 | 2019-20  | % Change in Ratios | Remarks  |
|--------------------------|---------|----------|--------------------|--|
| Debtor Turnover Ratio    | 0.41    | 0.46     | -10.64%            | The ratio is down because no new order booking in the current year and the operations of the business got affected from COVID-19 Pandemic. |
| Inventory Turnover Ratio | 3.32    | 19.39    | -82.89%            | The ratio is down because our ongoing projects are related to erection work.   |
| Current Ratio            | 1.13    | 1.06     | 6.03%              | The reason of improvement in comparison to last year is paying out of our liabilities.   |
| Debt Equity Ratio        | 1.44    | 2.78     | -48.15%            | The reason of improvement in comparison to last year is paying out of our liabilities.   |
| Operating Profit Margin  | 49.51%  | 36.70%   | 34.91%             | The reason of improvement is reduction in Operating expenses and Finance cost.   |
| Net Profit/Loss Margin   | -3.27%  | -157.06% | -97.92%            | The reason of improvement is reduction in Finance cost and no loss booked in respect of investments of the Company in the current year.    |

### Xlerate Driveline India Limited (XDIL) – Associate Company

In FY 2020-21, the COVID-19 pandemic has had a swift and severe impact on the automotive industry. Symptoms include complete lockdown for 1<sup>st</sup> quarter, disruption in Import Export, manufacturing disruptions throughout the year, and the closure of plants. This has an intense pressure on an Automobile industry already coping with a downshift in demand for the new vehicles.

XDIL could not only manage to retain the last year revenues but has shown a remarkable growth of 36% in the revenues despite such adverse conditions. This is mainly due to increasing OES share and New Clutch Range for Heavy Commercial Segment. Further, the Company also maintained the existing levels in the After Market segment.

In FY 2020-21, the Company has registered a revenue of ₹ 5936.82 Lakhs against the previous year's revenue of ₹ 4331.89 Lakhs in FY 2019-20.

During the last year, the Company has initiated development for new product range for established OEM commercial manufacturers namely 380 Coil Type Cover Assembly and Entire Ceramic Clutch Range. Within a Short Span of 3 months, the Company has increased its Vendor Base and manufacturing production capacity to meet up the demand of New Products. Duplicate Production Facility and Tooling were developed to meet customer increase demand.

### OUTLOOK:

#### Raunaq EPC International Limited

Even with a limited scope in the existing market, the Company is trying to quote with cautious aggression. The Company shall be tracking this important field and shall try to enter the same with the help of some JV partner so as to achieve a healthy outlook.

Quality and timely execution of projects shall remain our prime focus areas to enhance our brand image. The Company intends to select clients and projects cautiously to reduce exposure to laggard projects that can be a drag on its balance sheet.

#### Risk and Concerns

Some of the possible key risks for the Company are given below with corresponding mitigation measures.

#### Macroeconomic risk:

A downturn in the macroeconomic scenario along with unfavorable regulatory policies can negatively impact on business.

Mitigation: The Company has been trying to get job in water distribution space and quoting cautiously for it.

#### Competition risk:

The increasing competition within the EPC space may coerce the Company to tender at lower prices leading to compressed margins.

Mitigation: The Company's focus on quality, timely delivery, projects brand value and successful track record give a competitive edge over others. Further, its vast experience, technology investments and competent work force enable to manage the project costs allowing it to provide customers the most competitive rates.

## Project execution risk:

Inability of the Company to effectively manage projects may lead to cost/time overruns and reputation loss.

Mitigation: The Company has adequate modern equipments and experienced manpower which leads to high productivity at project sites. Currently due to covid-19 Pandemic few jobs have been delayed and now with unlock of sites, the progress of project is back on track.

## Liquidity risk:

Inability of the Company to recover payments in time may hamper its working capital which in turn may impact funding of other on-going projects. Further Banks/Financial Institutions adopt strict guidelines to extend credit limits to the Companies in EPC and Power Business due to the prolong downturn in the sector for quiet sometime.

Mitigation: The Company conducts a judicious risk-return evaluation of each project and rigorous follow up for the outstanding balances over 180 days. The Company is shifting its focus to the Irrigation and Water System Project wherein the Bankers can support with extended credit facilities. Further, the Company has paid off its debts by offloading its investment in the Subsidiary Company.

## Fraud risk:

The Company cannot eliminate fraud entirely however the Company is trying to prevent some things from happening to lessen the financial impact to it.

Mitigation: We have put in place and strengthen anti-fraud measures. The Company has adopted following measures to tranquillize the risk:

- Carry out fraud risk assessment including results from past reviews and audits.
- Improve controls.
- An effective governance structure including appropriate lines of authority and Board oversight.
- Independent check on performance and compliance .
- Segregation of duties so that no employee has control over whole process.

## Legal risk:

The traditional mechanisms for project risk allocation that are available in other countries are not suitable in India due to differences in legal systems. Moreover we strive upon to develop a compliance structure which can be carefully studied and processed.

Mitigation: The management has a team of advisors for deep study of contractual terms and access the risk associated with it and make out strategies accordingly and provide legal proactive support and contingency planning.

## Information risk:

Information risk is the probability that the information circulated by the Company can be leaked or destroyed. This may affect the Company's ongoing and upcoming operations.

Mitigation: The information risk mitigation process developed by our Company includes:

- Establishing information risk management practices

that will help to make the organization successful.

- Regular re-evaluation of the nature and extent of the risks to which the organization is exposed, plus periodic adjustment to ensure that the Company continues to steer the line between allowing risks to grow out of hand and constraining operational effectiveness.

## Natural calamity/pandemic risks:

Natural calamity or any other global and Country wise pandemic, like the recent outbreak of Covid-19 can have a negative impact on the various ongoing work at different sites, leading to disruption of work at various sites and non availability of sufficient manpower for execution of the jobs. In automotive business, it can impact the market the Company caters to, leading to supply chain disruption, production cuts and shutdown.

## Mitigation:

Since these are not predictable risks, the Company makes future strategies to bounce back during such risks. The Company takes up measures like deferring any capital investment and cost cutting during financial and industry crisis. It is well supported by an experienced management in its crisis management measures.

## Internal Control Systems and their Adequacy

Every successful Company needs to have certain controls in place to function effectively. The Company as well has sufficient internal controls in accordance with the nature and magnanimity of its business.

These have been designed to ensure that:

- Assets of the Company are acquired in an economical manner and safeguards are in place for their upkeep and to ensure their protection against any damage or destruction.
- Controls relating to the financial and operational aspects of the business remain in place and are working satisfactorily to detect exceptions and raise alerts.
- The Company enforces stringent compliance with all applicable laws and internal policies.

The internal auditors of the Company regularly carry out reviews of the internal control system to detect deviations. The report of the internal auditors is submitted to the management on a monthly basis and is helpful in the prevention and detection of fraud and to report any discrepancies in the day-to-day activities of the Company. Further, internal control systems are periodically reviewed by the Audit Committee and are kept updated and consistent with the requirements of the organization.

## Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those downtrend in the industry globally or domestic or both due to significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange the rate fluctuation, interest nad other costs.

# BOARD'S REPORT

(SECTION 134 OF THE COMPANIES ACT, 2013)

## To The Members

### Raunaq EPC International Limited

Your Directors have pleasure in presenting the 56<sup>th</sup> Annual Report of your Company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the Year ended 31 March, 2021.

## FINANCIAL RESULTS

The highlights of **Consolidated Financial Results** of your Company and its associate are as follows:

(₹/Lakhs)

| Particulars  | Consolidated                 |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>31 March, 2021 | Year ended<br>31 March, 2020 |
| Revenue from Operations and Other Income                                   | 1,509.69                     | 6,553.89                     |
| Profit before Finance Cost and Depreciation                                | 218.52                       | (1,281.73)                   |
| Finance Cost   | 149.21                       | 423.54                       |
| Depreciation   | 74.67                        | 181.22                       |
| Profit Before Tax  | (5.36)                       | (1,886.49)                   |
| Add: Share of Profit/(Loss) of Associate                                   | 34.89                        | -                            |
| Less: Tax Expense  | 24.36                        | 291.17                       |
| <b>Profit for the Year</b>   | <b>5.17</b>                  | <b>(2,177.66)</b>            |
| <b>Other Comprehensive Income</b>  |                              |                              |
| <b>Items that will not be reclassified to Profit and Loss (net of tax)</b> | <b>(2.56)</b>                | <b>11.29</b>                 |
| <b>Total Comprehensive Income for the year</b>                             | <b>2.61</b>                  | <b>(2,166.37)</b>            |

The highlights of financial results of your Company on **Standalone basis** are as follows:

(₹/Lakhs)

| Particulars  | Standalone                   |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>31 March, 2021 | Year ended<br>31 March, 2020 |
| Revenue from Operations and other income                                   | 1,509.69                     | 2,222.00                     |
| Profit before Finance Cost and Depreciation                                | 218.52                       | (2,256.94)                   |
| Finance Cost   | 149.21                       | 291.70                       |
| Depreciation   | 74.67                        | 83.64                        |
| Profit Before Tax  | (5.36)                       | (2,632.28)                   |
| Less: Tax Expense  | 24.36                        | 289.50                       |
| <b>Profit for the Year</b>   | <b>(29.72)</b>               | <b>(2,921.78)</b>            |
| <b>Other Comprehensive Income</b>  |                              |                              |
| <b>Items that will not be reclassified to Profit and Loss (net of tax)</b> | <b>(2.56)</b>                | <b>11.19</b>                 |
| <b>Total Comprehensive Income for the year</b>                             | <b>(32.28)</b>               | <b>(2,910.59)</b>            |

### Surplus in Statement of Profit and Loss

|                                |                 |                 |
|--------------------------------|-----------------|-----------------|
| Opening balance                | (671.05)        | 2,239.54        |
| Add: Profit for the year       | (32.28)         | (2,910.59)      |
| Less:                          |                 |                 |
| Proposed Dividend-Equity       | -               | -               |
| Tax on distributed profits     | -               | -               |
| Transferred to General Reserve | -               | -               |
| <b>Closing Balance</b>         | <b>(703.33)</b> | <b>(671.05)</b> |

## Dividend

In view of loss for the year, your directors have not recommended any dividend on equity shares of the Company for the year ended 31 March, 2021.

## Business Operations

During the year under review, there is a downturn in the total revenue of the Company from ₹ 2,222.00 Lakhs in FY 2019-20 to ₹ 1509.69 Lakhs in FY 2020-21. The Company has been struggling to bag new orders due to the continuous adverse market conditions in the power sector especially thermal power and the Company's inability to arrange for Bank Guarantees due to strict Banking Norms for EPC Industry.

Consolidated Results are not comparable as the Company has diluted its stake in Xlerate Driveline India Limited (XDIL), Subsidiary Company from 100% to 24.91%, so only the profit figure is consolidated to the extent of the Investment.

The Company has not been able to bag any order during the year.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2020-21 include:

- Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660 MW for GE Power Systems has been delayed due to pandemic.
- Fabrication and erection of Large Dia CW piping system at 1x660 MW Harduaganj extension - II project for Toshiba has been commissioned.
- PG testing underway for the additional ash water re-circulation project at NTPC Ramagundam 2600 MW.

## Future Outlook

Even with a limited scope in the existing market, the Company is trying to quote with cautious aggression. The Company shall be tracking this important field and shall try to enter the same with the help of some JV partner so as to achieve a healthy outlook.

Quality and timely execution of projects shall remain our prime focus areas to enhance our brand image. The Company intends to select clients and projects cautiously to reduce exposure to laggard projects that can be a drag on its balance sheet.

## Consolidated Financial Statements

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), Consolidated Financial Statements have

been prepared in accordance with IND AS-110 of the Indian Accounting Standards issued by the "Institute of Chartered Accountants of India" and have been provided in the Annual Report. These Consolidated Financial Statements provide financial information of your Company and its associate as a single economic entity.

## Indian Accounting Standards ("Ind AS")

The financial statements for the year ended 31 March, 2021 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under Section 133 of the Companies Act, 2013 read with rules made there under, as amended.

## Management Discussion and Analysis

A detailed analysis of the Company's operations in terms of performance in markets, business outlook, risk and concerns forms part of the Management Discussion and Analysis, a separate section of this report.

## Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 31 March, 2021 and of the Profit and Loss of the Company for the period ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Related Party Contracts and Arrangements

The Particulars of material contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 of the Companies (Accounts) Rules, 2014 are enclosed as **Annexure "A"** to this Report.

All the related party transactions which are placed before the Audit Committee and the Board for its approval are at arm's length basis. During the Financial Year under review, the Audit Committee has approved the related party transactions which are in ordinary course of business and at arm's length basis, through the omnibus mode in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in the Notes forming part of the Financial Statements.

The policy on Related Party Transactions as approved by the Board in terms of provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is available on the official website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com) under the link: [http://www.raunaqinternational.com/pdf/related\\_party\\_transactions\\_policy.pdf](http://www.raunaqinternational.com/pdf/related_party_transactions_policy.pdf)

## Particulars of Loans, Guarantees or Investment

Details of Loans or guarantee given or security provided in terms of provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 have been adequately disclosed in the financial statements.

## Directors

During the period under review, the members of the Company, at their Annual General Meeting held on 31 August, 2020 approved:

- Appointment of Mr. Sameer Kanwar as a Non-Executive Director of the Company liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013;
- Appointment of Mr. Naresh Kumar Verma as a Non-Executive Director of the Company liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013;
- Re-appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) years upto

the conclusion of the 60<sup>th</sup> Annual General Meeting (AGM) of the Company in the Calendar Year 2025 in terms of the provisions of Section 149 of the Companies Act, 2013;

- Re-appointment of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) years upto the conclusion of the 60<sup>th</sup> Annual General Meeting (AGM) of the Company in the Calendar Year 2025 in terms of the provisions of Section 149 of the Companies Act, 2013;

in terms of the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of Ms. Seethalakshmi Venkataraman being more than seventy five years at the commencement of her proposed tenure.

During the period under review, Mr. Sachit Kanwar resigned from the post of Joint Managing Director of the Company with effect from 28 September, 2020. Further, Mr. Sachit Kanwar has been appointed as Executive Director - Operations of the Company for a period of 5 (Five) years with effect from 01 October, 2020 on a token remuneration of Rupee One per month, subject to the approval of the members in the ensuing Annual General Meeting.

Therefore, in terms of the provisions of Section 196 read with Schedule V and other applicable provisions of the Companies Act, 2013, the approval of the members is being sought in the ensuing Annual General Meeting for the appointment of Mr. Sachit Kanwar as Executive Director - Operations of the Company for a period of 5 (Five) years with effect from 01 October, 2020 on a token remuneration of Rupee One per month.

In terms of the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association (AOA) of the Company, Mr. Sameer Kanwar, Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment.

Therefore, in terms of the provisions of Section 152 of the Companies Act, 2013, it has been proposed to re-appoint Mr. Sameer Kanwar as a Non-Executive Director liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company.

During the period under review, Mr. Pradeep Kumar Mittal ceased to be a Director of the Company with effect from 02 May, 2021 due to his demise. The Board expresses its deep appreciation and gratitude towards the contribution of Mr. Pradeep Kumar Mittal towards smooth working of the Company during his tenure.

**Board's Opinion Regarding Integrity, Expertise and Experience (Including the proficiency) of the Independent Directors appointed/re-appointed during the year**

The Board is of the opinion that the Independent Directors appointed/re-appointed during the year under review are person(s) of integrity and possess core skills/expertise/competencies (including the proficiency) as identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for Company to function effectively.

**Number of Meetings of the Board**

During the financial year 2020-21, 5 (Five) Board Meetings were held on the following dates. The gap between any two meetings was not more than one hundred twenty days as mandated under the provisions of Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Regulations:-

- 30 June, 2020;
- 14 August, 2020;
- 28 September, 2020;
- 06 November, 2020; and
- 08 February, 2021

However, the gap between the Board Meeting held on 30 June, 2020 was more than 120 (one hundred and twenty) days from the Board Meeting held on 30 January, 2020 in the Financial Year 2019-20 pursuant to the relaxations provided by the Securities and Exchange Board of India for Board/Audit Committee Meetings held/proposed to be held between the period 01 December, 2019 and 31 July, 2020 vide its circular Ref No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19 March, 2020 and Ref No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26 June, 2020 and the relaxations provided by the Ministry of Corporate Affairs for Board, Committee Meetings held/proposed to be held till 30 September, 2020 vide its General Circular No. 11/2020 dated 24 March, 2020 respectively during the outbreak of Covid-19 pandemic in the Country.

**Independent Directors**

In terms of the provisions of Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the Regulations, all the Independent Directors of the Company have furnished a declaration to the Company at the meeting of the Board of Directors held on 22<sup>nd</sup> June, 2021 stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Regulations, and are not being disqualified to act as an Independent Director. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Companies Act, 2013 read with the Rules made thereunder and the Regulations, and are independent of the management.

In terms of the Regulation 25(7) of the Regulations, the Company had adopted a familiarization programme for the Independent Directors to familiarize them with working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities, and other relevant details. During the Financial Year 2020-21, however the Company was not required to comply with the provisions of Regulation 25 of the Regulations, the familiarization programme for the Directors has been conducted voluntarily. The details of familiarization programme during the Financial Year 2020-21 are available on the official website of the Company i.e. [www.raunaqinternational.com](https://www.raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors-2020-21.pdf) under the link <https://www.raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors-2020-21.pdf>

**Policy on Appointment and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel**

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Regulations, Nomination and Remuneration Committee ('NRC') has formulated a policy relating to appointment and determination of the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel which has been adopted by the Board of Directors of the Company. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to the Executive and Non-Executive Directors of the Company.

Your Directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, Senior Management and other employees is as per the Nomination and Remuneration Policy of your Company.

The salient features of the Nomination and Remuneration Policy are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Identification of persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in the Nomination and Remuneration policy.
- Recommendation to the Board for appointment and removal of Director, KMP and Senior Management Personnel.
- Formulation of the criteria for devising a policy on diversity of Board of Directors.

- Deciding that whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommendation to the Board for all remuneration, in whatever form, payable to senior management.

The said policy is available on the official website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com) under the link <http://www.raunaqinternational.com/pdf/nomination--and-remuneration-policy.pdf>

### Evaluation Process

The Nomination and Remuneration Committee has established a framework for the evaluation process of performance of the Board, its Committees and Individual Directors and the same was adopted by the Board.

During the year under review, the Board of Directors at its meeting held on 08 February, 2021 have carried out the evaluation of the performance of Independent Directors and their independence criteria and the Independent Directors in their meeting held on even date have evaluated the performance of the Chairman and Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of flow of information between the Board and Company management.

### Key Managerial Personnel

The following Directors/Officials of the Company have been designated as Key Managerial Personnel (KMP) of the Company by the Board of Directors in terms of the provisions of Section 203 of the Companies Act, 2013 and the Regulations:

- |                              |                                 |
|------------------------------|---------------------------------|
| 1. Mr. Surinder Paul Kanwar  | Chairman and Managing Director  |
| 2. Mr. Sachit Kanwar         | Executive Director - Operations |
| 3. Mr. Rajan Malhotra        | Chief Executive Officer         |
| 4. Mr. Kailash Chandra Yadav | Chief Financial Officer         |
| 5. Ms. Rashmi Aswal          | Company Secretary               |

During the period under review, Mr. Sachit Kanwar has resigned from the post of Joint Managing Director of the Company with effect from 28 September, 2020. Further, Mr. Sachit Kanwar has been appointed as Executive Director - Operations of the Company with effect from 01 October, 2020.

Further, Mr. Himanshu Goyal has resigned from the post of Senior Officer - F & A and (CFO) of the Company with effect from 28 September, 2020 and Mr. Kailash Chandra Yadav has been appointed as the Chief Financial Officer (CFO) of the Company with effect from 06 November, 2020.

Ms. Vartika Malhotra has resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 03 July, 2020 and Ms. Rashmi Aswal has been appointed as Company Secretary and Compliance Officer of the Company with effect from 01 December, 2020.

### Disclosure under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Disclosures pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure-“B”** to this report.

### Particulars of Employees

Information regarding employees in accordance with the provisions of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-“C”** to this Report.

### Risk Management

A robust and integrated enterprise risk management framework is in existence under which the common prevailing risks in the Company are identified, the risks so identified are reviewed on periodic basis by the Audit Committee and the management's actions to mitigate the risk exposure in a timely manner are assessed.

A risk management policy under the above said enterprise risk management framework as approved by the Board has been adopted by the Company.

### Corporate Social Responsibility

In terms of the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee (“CSR Committee”) is in existence to monitor the Corporate Social Responsibility Policy of the Company as approved by the Board and the said policy is available on official website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com).

The CSR Committee comprises of Mr. Surinder Paul Kanwar, Mr. Sachit Kanwar and Mr. Rajiv Chandra Rastogi.

During the period under review, Mr. Pradeep Kumar Mittal ceased to be a member of the CSR Committee on 02 May, 2021 due to his demise and Mr. Rajiv Chandra Rastogi had been inducted as a member of the Committee with effect from 17 May, 2021. Accordingly, the CSR Committee has been reconstituted.

The role of the Corporate Social Responsibility Committee includes:

- (a) Formulation and recommendation to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 ("the Act").
- (b) Monitoring the Corporate Social Responsibility Policy of the Company from time to time.
- (c) Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- (d) Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

As per the provisions of Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR activities during the Financial Year 2020-21 in terms of loss incurred during the Financial Year 2019-20.

#### **Audit Committee**

The Audit Committee comprises of Dr. Sanjeev Kumar, Mr. Rajiv Chandra Rastogi and Ms. Seethalakshmi Venkataraman.

During the period under review, Mr. Pradeep Kumar Mittal ceased to be a member of the Audit Committee on 02 May, 2021 due to his demise. Accordingly, the Audit Committee has been reconstituted.

During the year under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company unanimously.

#### **Internal Complaints Committee for Prevention of Sexual Harassment**

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, as the Company doesn't have adequate women employee, the women employees of the Bharat Gears Limited, a Company within the group have been nominated as members of the Internal Complaints Committee (ICC) of the Company to deal with the complaints related to the sexual harassment, where any grievances of sexual harassment at workplace can be reported.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year ended 31 March, 2021, no complaints pertaining to sexual harassment was received by ICC.

#### **Subsidiaries/Joint Ventures/Associate Companies**

As on 31 March, 2020, your Company had a 100% wholly owned subsidiary, Xlerate Driveline India Limited (XDIL) and the Company held 1,48,77,038 (One Crore Forty Eight Lakhs Seventy Seven Thousand Thirty Eight) Equity Shares of ₹ 10/- (Rupees Ten) each of XDIL amounting to ₹ 14,87,70,380/- (Rupees Fourteen Crores Eighty Seven Lakhs Seventy Thousand Three Hundred Eighty Only) as an investment directly/through its nominees equivalent to 100% paid up equity capital of XDIL. Xlerate Driveline India Limited (XDIL) is engaged in the manufacturing of automotive components having its Industrial Unit at Faridabad, Haryana.

During the year under review, in order to bring down the debts of the Company and for procuring projects in water sector, the Company has disposed off a substantial portion of aforesaid investment of the Company in XDIL to Mr. Sachit Kanwar, Executive Director - Operations (earlier Joint Managing Director) of the Company equivalent to 1,11,70,879 (One Crore Eleven Lakhs Seventy Thousand Eight Hundred Seventy Nine) Equity Shares of ₹ 10/- (Rupees Ten) each of XDIL at a price of ₹ 4.87 (Rupees Four and Paise Eighty Seven Only) per Equity Share, total consideration being ₹ 5,44,02,180/- (Rupees Five Crores Forty Four Lakhs Two Thousand One Hundred Eighty Only) in two tranches equivalent to 75.09% paid up equity capital of XDIL, based on the valuation carried upon by an IBBI Registered Valuer. Therefore, XDIL ceased to be the subsidiary of the Company.

Subsequently, the Company now holds 37,06,159 (Thirty Seven Lakhs Six Thousand One Hundred Fifty Nine) Equity Shares of ₹ 10/- (Rupees Ten) each of XDIL amounting to ₹ 3,70,61,590/- (Rupees Three Crores Seventy Lakhs Sixty One Thousand Five Hundred Ninety Only) as an investment directly/through its nominees equivalent to 24.91% paid up equity capital of XDIL. Therefore, XDIL continues to remain an associate of the Company as on date.

#### **Deposits**

During the year under review, the Company did not accept any deposits.

#### **Investor Education and Protection Fund (IEPF)**

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and further amendments thereto, the Unclaimed Final Dividend pertaining to the Financial Year 2012-13 amount aggregating to ₹ 1,69,117/- (Rupees One Lakh Sixty Nine Thousand One Hundred Seventeen Only) and 77,874 (Seventy Seven Thousand Eight Hundred Seventy Four) Equity Shares had been transferred to the "Investor Education and Protection Fund" established by the Central Government. For further information, please refer the Notice calling the ensuing Annual General Meeting.

## Auditors

The Statutory Auditors, M/s. B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Regn No. 001035N) had been appointed as Statutory Auditors of the Company in the 52<sup>nd</sup> Annual General Meeting held on 08 August, 2017 for a period of 5 (Five) years in terms of the provisions of Section 139 of the Companies Act, 2013 to hold office from the 52<sup>nd</sup> AGM to the 57<sup>th</sup> AGM in the calendar year 2022.

## Report on Financial Statements

The report of M/s B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Regn. No. 001035N), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2021 is annexed to the financial statements in terms of the provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes forming part of the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

## Secretarial Audit

The Board has appointed M/s Etika Aggarwal & Associates, Practicing Company Secretaries, Delhi as Secretarial Auditor for the Financial Year 2020-21 in terms of the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report of the Company for the Financial Year ended 31 March, 2021 in the prescribed Form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure-“D”** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

## Internal Financial Controls and their Adequacy

The Company has a proper and adequate system of internal financial controls which includes the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. During the year, such controls were tested and no material weakness in the design or operations were observed.

## Maintenance of Cost Records

During the year under review, the Company had not been mandatorily required to maintain Cost Records in terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

## Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The provisions of Regulation 15(2) of the Regulations w.r.t. Corporate Governance requirements are not applicable to the Company for the Financial Year 2020-21 as the paid up equity share capital and net worth of the Company as on 31 March, 2020 stood at ₹ 334.32 Lakhs and ₹ 1351.64 Lakhs respectively, which are below the prescribed threshold limits for applicability of the aforesaid Regulation.

Since the aforesaid provisions of the Regulations are not applicable on the Company for the Financial Year 2020-21, the report on Corporate Governance as stipulated under Schedule V(C) has not been annexed to this Report.

## Vigil Mechanism/Whistle Blower Mechanism

In terms of the provisions of Section 177 of the Companies Act, 2013 and the Regulations, the Company has established an effective mechanism called Vigil Mechanism (Whistle Blower Mechanism). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees or by any other person who avails such mechanism. It protects employees or any other person who avails such mechanism wishing to raise a concern about serious irregularities, unethical behavior, actual or suspected fraud within the Company by reporting the same to the Audit Committee.

Protected Disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the Compliance Officer.

During the year under review, no complaint has been received and no employee was denied access to the Audit Committee.

The functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company is reviewed by the Audit Committee on Annual basis.

The policy on vigil mechanism is available on the official website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com) under the link [http://www.raunaqinternational.com/pdf/policy\\_on\\_vigil\\_mechanism.pdf](http://www.raunaqinternational.com/pdf/policy_on_vigil_mechanism.pdf)

## Reconciliation of Share Capital Audit

In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Reconciliation of Share Capital Audit is undertaken by a firm of Practicing Company Secretaries on quarterly basis. The Audit is aimed at reconciliation of total shares held in CDSL, NSDL and in physical form with the admitted, issued and listed capital of the Company.

The Reconciliation of Share Capital Audit Reports as submitted by the Auditor on quarterly basis were filed with the BSE Limited (BSE) through BSE Listing Centre, where the original shares of the Company are listed.

### Listing of Shares

The Equity shares of the Company are listed on the BSE Limited (BSE), Mumbai.

### Disclosures under Section 134 of the Companies Act, 2013

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

### Effects and Uncertainties relating to the Global Health Pandemic Covid-19

The Company has incurred losses during the current year amounting to ₹ 32.28 Lakhs, primarily owing to the lower volumes due to continuing slowdown in the EPC industry, ECL provision and decrease in fair value of investments. The Company has a positive net worth of ₹ 1319.37 Lakhs and a net current asset position of ₹ 166.71 Lakhs. The Company's operations have also been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption in Erection & Supply activity due to nationwide lockdown.

The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of Plant & Machinery, Inventory, Receivables and other financial assets, by relying on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at 31 March, 2021.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014:

The Company organizes the workshops/lectures on regular basis for its employees to promote, motivate and encourage them how to conserve the energy. The Company is in process to adopt the latest technologies for conservation of energy.

The particulars with respect to foreign exchange earnings and outgo during the year under review are as follows:

(₹/Lakhs)

| Particulars             | 2020-21 | 2019-20 |
|-------------------------|---------|---------|
| Foreign Exchange Earned | -       | -       |
| Foreign Exchange Used   | -       | 1.31    |

### Statement containing salient features of Financial Statements of Xlerate Driveline India Limited (XDIL), Associate Company

A statement containing the salient features of Financial Statements of Xlerate Driveline India Limited (XDIL), Associate Company in prescribed Form AOC-1 in terms of the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 forms part of the Financial Statements.

### Annual Return

In terms of the provisions of Section 134(3)(a) read with 92(3) of the Companies Act, 2013 and the relevant rules made thereunder, a copy of the Annual return as prescribed under Section 92 of the Companies Act, 2013, as amended shall be made available on the official website of the Company [www.raunaginternational.com](http://www.raunaginternational.com) under the link: <https://www.bharatgears.com/documents/annual-return-for-2020-21.pdf>

### Compliance of Secretarial Standards

During the period under review, the Company has duly complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### Court/Tribunal Orders

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### Details of Application/Proceeding pending under the Insolvency and Bankruptcy Code, 2016

Neither any application has been made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

### Instances of Difference in Valuation

There is no such instance where there is difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

### Acknowledgements

The Board of Directors gratefully acknowledge the continued co-operation, trust and support of the shareholders and would like to place on record its appreciation for the dedicated services rendered by the Employees at all levels. The Directors further express their gratitude to the Bankers, Customers and Sub-vendors and other associates for co-operation and confidence reposed by them in the Company.

For and on behalf of the Board of Directors



Surinder Paul Kanwar  
Chairman and Managing Director

Dated: 22 June, 2021

DIN: 00033524

## Form No. AOC-2

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis:

**NIL**

2. Details of material contracts or arrangement or transactions at arm's length basis:

| S. no. | Names(s) of the related party and nature of relationship  | Nature of contracts/ arrangements/ transactions  | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any                  | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|--------|---|--|---|---|--|---------------------------------|
| 1.     | Mr. Sachit Kanwar*, Promoter and Executive Director-Operations and Xlerate Driveline India Limited (XDIL), Associate Company (erstwhile Wholly owned subsidiary). | Disposal of 82,14,000 (55.21%) equity shares held by the Company in XDIL to Mr. Sachit Kanwar. | -   | Total Transaction value<br>Rs. 4,00,02,180/-<br>i.e. Rs. 4.87 per Equity Share based on the fair valuation. | 30.06.2020                               | -                               |
| 2.     | Mr. Sachit Kanwar*, Promoter and Executive Director-Operations and Xlerate Driveline India Limited (XDIL), Associate Company (erstwhile Wholly owned subsidiary). | Disposal of 29,56,879 (19.88%) equity shares held by the Company in XDIL to Mr. Sachit Kanwar. | -   | Total Transaction value<br>Rs. 1,44,00,000/-<br>i.e. Rs. 4.87 per Equity Share based on the fair valuation. | 28.10.2020                               | -                               |

\* Resigned w.e.f. 28 September, 2020 as Joint Managing Director and appointed w.e.f. 01 October, 2020 as Executive Director-Operations of the Company.

For and on behalf of the Board of Directors



**Surinder Paul Kanwar**  
Chairman and Managing Director  
DIN: 00033524

Dated: 22 June, 2021

**Annexure-“B”**

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. Only one director has drawn managerial remuneration as per Schedule V of the Companies Act, 2013. The ratio of the remuneration of such director to the median remuneration of the employees of the Company for the Financial Year 2020-21:

| S.No. | Name of the Director   | Ratio of Remuneration of Director to median remuneration of employees |
|-------|--|---|
| 1.    | Mr. Sachit Kanwar<br>(Executive Director-Operations)<br>previously Joint Managing Director | 24.92**   |

Other directors are being paid with sitting fees only, details of which are mentioned in the Annual Return.

\*\* 50 % of the total salary drawn from Xlerate Driveline India Limited, erstwhile Wholly Owned Subsidiary upto 31 August, 2020. Nil Salary drawn from the Company w.e.f. 01 September, 2020. Remuneration includes salary from the Company calculated on Pro-rata basis for the whole Financial Year.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

| S.No. | Name of the Director/KMP   | % increase in Remuneration in the Financial Year 2020-21 |
|-------|--|--|
| 1.    | Mr. Sachit Kanwar<br>(Executive Director-Operations)<br>previously Joint Managing Director | (1.29)   |
| 2.    | Mr. Rajan Malhotra<br>Chief Executive Officer  | (54.29)  |
| 3.    | Mr. Kailash Chandra Yadav<br>Chief Financial Officer                                       | Not Applicable*  |
| 4.    | Ms. Rashmi Aswal<br>Company Secretary  | Not Applicable**   |

\* Appointed w.e.f. 06 November, 2020. Drawn remuneration in the form of fees for professional services during the Financial Year 2020-21.

\*\* Appointed w.e.f. 01 December, 2020. Drawn remuneration in the form of fees for professional services during the Financial Year 2020-21.

3. There was no percentage increase in the remuneration of the median employee in the Financial Year 2020-21.
4. There were 53 permanent employees on the rolls of the Company as on 31 March, 2021.
5. The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2020-21 was (5.77) % and average percentage increase in the managerial remuneration of persons referred in point no. 2 is (21.02) % in the Financial Year 2020-21.
6. It is affirmed that the remuneration paid is as per the Remuneration policy for Directors, Key Managerial Personnel and other Employees.

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



**Surinder Paul Kanwar**  
Chairman and Managing Director  
DIN: 00033524

Dated: 22 June, 2021

## Annexure-“C”

## Information Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Forming Part of the Board's Report for the year ended 31 March, 2021

## A. Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31 March, 2021

| S. No. | Name                      | Age in Years | Qualification   | Designation                     | Date of Commencement of Employment | Years of Exp. | Remuneration (Rs. in Lakhs) | Particulars of Last Employment                    | Percentage of Shareholding in the Company |
|--------|---------------------------|--------------|-----------------|---------------------------------|------------------------------------|---------------|-----------------------------|---|---|
| 1.     | Mr. Sachit Kanwar **      | 38           | B.A. (ECO)      | Executive Director - Operations | 23.03.2009                         | 17            | 77.15                       | Lease Portfolio Manager- Airport Kia Toronto Ltd. | 0.00                                      |
| 2.     | Mr. Rajan Malhotra        | 63           | B.E.            | CEO                             | 08.11.2005                         | 42            | 21.19                       | Utility Power Tech Ltd.                           | 0.00                                      |
| 3.     | Mr. A.D. Jain             | 64           | B. Tech - Civil | V.P.-Project                    | 09.07.1979                         | 42            | 18.65                       | The Cementation Construction Ltd.                 | 0.00                                      |
| 4.     | Mr. Nitin Jain            | 59           | DME             | DGM-Sales                       | 01.12.2006                         | 36            | 15.16                       | AL Hassan Engineering Ltd.                        | 0.00                                      |
| 5.     | Mr. Vipin Kumar           | 59           | DME             | AGM-Projects                    | 01.02.2006                         | 40            | 13.71                       | Tyco Valves & Controls India Pvt. Ltd.            | 0.00                                      |
| 6.     | Mr. Jagmohan Singh Bisht  | 53           | DME             | Sr. Manager-Projects            | 06.08.2007                         | 33            | 12.14                       | Lloyd Insulation (India) Limited                  | 0.00                                      |
| 7.     | Mr. Rituraj Singh         | 34           | B.E.            | Asst. Manager                   | 02.05.2011                         | 13            | 10.71                       | Satnam Global Infra Projects Ltd.                 | 0.00                                      |
| 8.     | Mr. Jyoti Ranjan Behera   | 40           | B. Tech         | Dy. Manager                     | 09.11.2006                         | 15            | 9.20                        | -   | 0.00                                      |
| 9.     | Mr. Akhilesh Kumar Mishra | 41           | B. Tech - ME    | Asst. Manager                   | 01.01.2007                         | 15            | 7.76                        | Tulip Elastics Pvt. Ltd.                          | 0.00                                      |
| 10.    | Mr. V. N. Sharma          | 55           | Dip. Civil      | Asst. Manager                   | 22.09.2003                         | 33            | 7.61                        | Econ Puri Consortium                              | 0.00                                      |

\*\* 50 % of the total salary drawn from Xlerate Driveline India Limited, erstwhile Wholly Owned Subsidiary upto 31 August, 2020. Nil Salary drawn from the Company w.e.f. 01 September, 2020. Remuneration includes salary from the Company calculated on Pro-rata basis for the whole Financial Year.

**B. Employed throughout the year ended 31 March, 2021 & were in receipt of Remuneration aggregating not less than Rs. 1,02,00,000/- per annum.**

NIL

**C. Employed for the part of the year ended 31 March, 2021 & were in receipt of Remuneration aggregating not less than Rs.8,50,000/- per month.**

NIL

**D. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.**

NIL

**NOTES :**

- Remuneration includes Salary, Allowances, Co's Contribution to Provident Fund & Superannuation Fund, and Value of other perquisites.
- Mr. Sachit Kanwar, Executive Director-Operations is a relative of Mr. Surinder Paul Kanwar, Chairman & Managing Director and Mr. Sameer Kanwar, Non-Executive Director of the Company.
- Appointment of Mr. Sachit Kanwar is on Contractual basis.

For and on behalf of the Board of Directors



Surinder Paul Kanwar  
Chairman and Managing Director

DIN: 00033524

Dated: 22 June, 2021

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021**

**[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To  
The Members  
**Raunaq EPC International Limited**  
(CIN: L51909HR1965PLC034315)  
20 K.M. Mathura Road  
P.O. Amar Nagar  
Faridabad - 121003  
Haryana

We have conducted the Secretarial Audit in respect of compliance with applicable statutory provisions and the adherence to good corporate practices by **RAUNAQ EPC INTERNATIONAL LIMITED** having CIN: L51909HR1965PLC034315 (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, details and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2021, complied with the statutory provisions listed hereunder in general and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: On the basis of examination and verification of the registers, records and documents produced to us and according to information and explanations given to us by the Company along with the discussion with the management of the Company on various aspects of Compliances by the Company of various other Acts and Rules, the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 (“the Act”) and Rules made thereunder, the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of register of Members: **Not Applicable during the year;**

- c) Forms, returns, documents and resolutions required to be filed with the Ministry of Corporate Affairs, Government of India;
- d) Service of Documents by the Company to its members, Auditors and the Registrar of Companies;
- e) Notice of Board/Committee Meetings of the Company;
- f) Minutes of proceedings of General Meetings and Board/Committee Meetings;
- g) Approval of the Members, the Board of Directors and its Committees and the government authorities, wherever required;
- h) The Company has obtained necessary disclosures from all the directors and confirmation from the Independent Directors with regard to their Independence;
- i) Constitution of the Board of Directors/Committee(s), appointment, retirement and re-appointment of Directors including the Managing Director;
- j) Payment of remuneration to Directors including the Managing Director and other Directors, wherever applicable;
- k) Appointment and remuneration of Auditors;
- l) Transfers and Transmissions of the Company's Shares, and issue and dispatch of duplicate certificates of shares.
- m) Borrowings and Registration, modification and satisfaction of charges, wherever applicable.
- n) Financial Statements comprising of Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement as prescribed in Schedule III to the Act.
- o) Board’s Report;
- p) Contracts, Common Seal, registered Office and publication of name of the Company; and
- q) All other applicable provisions of the Act and Rules made under the Act.

The 55<sup>th</sup> Annual General Meeting of the Company was held on 31 August, 2020.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2021 according to the provisions of:

- The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not applicable as the Company has not obtained any FDI, or ECB or made any ODI during the year under review.**
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - I. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable, as the Company did not issue any securities during the year under review;**
  - IV. The Securities and Exchange Board of India (Share Benefits Employee Benefits) Regulations, 2014; - **Not Applicable as the Company does not have Employee Stock Option Scheme for its employees;**
  - V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as the Company has not issued any debt securities during the year under review;**
  - VI. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review;**
  - VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable as the Company has not delisted its Equity Shares from any stock exchange during the year under review; and**
  - VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable as the Company has not done any buyback of its securities during the year under review.**
- Chapter V of the Finance Act, 1994 (Service Tax), the Central Goods and Services Tax Act, 2017, Rules made thereunder and Notifications issued from time to time etc.;
- The Indian Contract Act, 1872;
- The Indian Stamp Act, 1999;
- The Limitation Act, 1963;
- The Payment of Wages Act, 1936;
- The Minimum Wages Act, 1948 and Punjab Minimum Wages Rules, 1950;
- The Employees Provident Fund and Misc. Provisions Act, 1952;
- The Employees Deposit-Linked Insurance Scheme, 1976;
- The Employees' Pension Scheme, 1995;
- The Employees State Insurance Act, 1948; Employees' State Insurance (Central) Rules, 1950 and Employees' State Insurance (General) Regulations, 1950;
- The Equal Remuneration Act, 1976;
- The Payment of Bonus Act, 1965;
- The Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Rules (as per respective state);
- The Environment (Protection) Act, 1986;
- The Income Tax Act 1961 and Income Tax Rules, 1962;
- The Negotiable Instrument Act, 1881;
- The Maternity Benefits Act, 1961;
- The Payment of Gratuity Act, 1972;
- The Transfer of Property Act, 1882;
- The Indian Registration Act, 1908;

- The Industrial Health & Safety Act, 1972;
- The Indian Evidence Act, 1872;
- The Consumer Protection Act, 1886;
- The Child Labour (Regulation and Abolition), Act 1970;
- The Weekly Holiday Act, 1942;
- The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013;
- The Electricity Act, 2003;
- The Micro, Small and Medium Enterprises Development Act, 2006;
- The Information Technology Act, 2000;
- Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI);
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the year under review, following changes took place in the composition of the Board of Directors and Key Managerial Personnel of the Company:

| S.No. | Name of Director/KMP   | Date of Change     | Particulars of Change |
|-------|--|--------------------|-----------------------|
| 1.    | Ms. Vartika Malhotra<br>(Company Secretary and Compliance Officer)     | 03 July, 2020      | Cessation             |
| 2.    | Dr. Sanjeev Kumar<br>(Non-Executive Independent Director)              | 31 August, 2020    | Re-appointment        |
| 3.    | Mr. Sameer Kanwar<br>(Non-Executive Director)                          | 31 August, 2020    | Appointment           |
| 4.    | Mr. Naresh Kumar Verma<br>(Non-Executive Director)                     | 31 August, 2020    | Appointment           |
| 5.    | Ms. Seethalakshmi Venkataraman<br>(Non-Executive Independent Director) | 31 August, 2020    | Re-appointment        |
| 6.    | Mr. Sachit Kanwar<br>(Joint Managing Director)                         | 28 September, 2020 | Cessation             |
| 7.    | Mr. Himanshu Goyal<br>(Senior Officer - F & A and (CFO)                | 28 September, 2020 | Cessation             |
| 8.    | Mr. Sachit Kanwar<br>(Executive Director-Operations)                   | 01 October, 2020   | Appointment           |
| 9.    | Mr. Kailash Chandra Yadav<br>(Chief Financial Officer)                 | 06 November, 2020  | Appointment           |
| 10.   | Ms. Rashmi Aswal<br>(Company Secretary and Compliance Officer)         | 01 December, 2020  | Appointment           |

During the year under review, the Company has passed the following resolution(s) by Circulation:

| S.No. | Board of Directors/<br>Committee | Particulars of Resolution  | Date of Resolution passed by Circulation | Date of Noting    |
|-------|----------------------------------|--|--|-------------------|
| 1.    | Audit Committee                  | To consider and approve the appointment of Mr. Vaibhav Jain as valuer for valuation of equity shares held by the Company in Xlerate Driveline India Limited (XDIL), wholly owned Subsidiary Company.   | 17 June, 2020                            | 30 June, 2020     |
| 2.    | Audit Committee                  | To consider and approve the disposal of 29,56,879 (19.88%) equity Shares held by the company in Xlerate Driveline India Limited (XDIL) to Mr. Sachit Kanwar, Executive Director-Operations of the Company  | 28 October, 2020                         | 06 November, 2020 |
| 3.    | Board of Directors               | Resignation of Ms. Vartika Malhotra as Company Secretary and Compliance officer of the Company w.e.f 03 July, 2020.<br><br>To consider and approve the change in Nodal officer for the purpose of verification of claims and coordination with Investor education and protection fund authority in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund ) Rules, 2016 as amended<br><br>To Consider and approve the reconstitution of sub-committee of stakeholders' relationship committee of the Board of Directors of the Company. | 08 July, 2020                            | 14 August, 2020   |
| 4.    | Board of Directors               | To consider and approve the Change in Nodal Officer for the purpose of verification of claims and coordination with Investor Education and Protection Fund Authority in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund, 2016, as amended.   | 09 July, 2020                            | 14 August, 2020   |
| 5.    | Board of Directors               | To consider and approve the disposal of 29,56,879 (19.88%) Equity Shares held by the Company in Xlerate Driveline India Limited (XDIL) to Mr. Sachit Kanwar, Executive Director-Operations of the Company  | 28 October, 2020                         | 06 November, 2020 |

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

The Company has obtained all the necessary approvals under the various provisions of the Act, as and when required.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure Compliance with applicable Laws, rules, regulations and guidelines.

#### **Our Observation:**

- There are certain delays and pendency in depositing Provident Fund, Payment of Wages, Filing of Income tax returns/payment of Income tax, TDS as the case may be, Filing GST Returns and other material statutory dues applicable to the Company under various acts. As explained by the Management, the delay was due to Covid-19 and lack of funds.

- The Company has received a notice under Regulation 6(1) of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 for Non-compliance with requirement to appoint a qualified company secretary as the compliance officer and the promoter's shareholding was freezed for non payment of fine. As explained by the Management, instance of levy of fine occurred due to clerical error in filing the Reconciliation of Share Capital Audit Report for the quarter ended 30 September, 2020 with BSE Limited (BSE). However, in real terms, the Company was not into any non-compliance of Regulation 6(1)(Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly the fine levied for the mentioned regulation had been waived by BSE Limited and Promoter Shareholding had been unfreezed subsequently based on the corrected submissions/written representation made by the Company to BSE in regard to the said matter.
- There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc. having a major bearing on the Company's Affairs.

**For ETIKA AGGARWAL & ASSOCIATES**



ETIKA AGGARWAL  
Proprietor  
M No.:42749  
CP No.18788

Place: Delhi  
Date: June 22, 2021  
UDIN: A042749C000494959

**Note:** This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

## ‘ANNEXURE A’

To  
The Members  
**RAUNAQ EPC INTERNATIONAL LIMITED**  
**(CIN: L51909HR1965PLC034315)**  
20 K.M. Mathura Road,  
P.O. Amar Nagar  
Faridabad-121003, Haryana

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial and other records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For ETIKA AGGARWAL & ASSOCIATES**



ETIKA AGGARWAL  
Proprietor  
M No.:42749  
CP No.18788

Place: Delhi  
Date: 22 June, 2021  
UDIN: A042749C000494959

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF RAUNAQ EPC INTERNATIONAL LIMITED

### Report on the audit of the Standalone Financial Statements

We have audited the standalone financial statements of Raunaq EPC International Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and the statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Emphasis of Matter

We draw your attention to Note 46 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S. No. | Key Audit Matter  | Our response   |
|--------|---|--|
| 1.     | <p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>The application of the accounting standard involves certain key judgements relating to satisfaction of performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p> | <p>Our audit approach consisted review of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to revenue recognition process.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to satisfaction of performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>Read, analysed and identified the timing of satisfaction of performance obligations in these contracts.</li> <li>Compared these performance obligations with that identified and recorded by the Company.</li> <li>Considered the terms of the contracts to determine the transaction price used to compute revenue.</li> <li>Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, and historical trend of collections and disputes.</li> <li>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul> |

**Information Other than the Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

The other information is expected to be made available to us after the date of this auditors' report. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on 31 March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements;
- ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050



**Sanjay Nath**

Partner

Membership No.082700

Place: New Delhi

Date: 22 June, 2021

UDIN: 21082700AAABBU7535

## Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

**Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Raunaq EPC International Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050



**Sanjay Nath**  
Partner

Place: New Delhi

Date: 22 June, 2021

UDIN: 21082700AAABBU7535

Membership No.082700

## Annexure 'B' to the Independent Auditors' Report

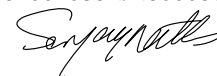
(Referred to in Paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) In our opinion and according to the information and explanations given to us, the fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the records of the Company, we report that the Company does not own any immovable property whether freehold or leasehold.
- 2) In respect of its inventories:
  - (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
  - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2020-2021, and accordingly clauses (a), (b) and (c) of para (iii) of the order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act, in respect of the activities carried on by the Company.
- 7) (a) According to the information and explanations given to us and the records of the Company examined by us in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2021 for a period of more than six months from the date they become payable.
- (c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050



**Sanjay Nath**

Partner

Place: New Delhi

Date: 22 June, 2021

Membership No.082700

UDIN: 21082700AAABBU7535

## STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars  | Note No. | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|----------|-------------------------|-------------------------|
| <b>ASSETS</b>  |          |                         |                         |
| <b>Non-Current Assets</b>  |          |                         |                         |
| Property, Plant and Equipment  | 3        | 366.26                  | 455.98                  |
| Intangible Assets  | 4        | -                       | 3.98                    |
| Financial Assets   |          |                         |                         |
| a. Investments   | 5        | 351.58                  | 783.44                  |
| b. Loans and Advances  | 6        | 1.03                    | 2.53                    |
| c. Trade Receivables   | 7        | 976.46                  | 227.63                  |
| d. Other Financial Assets  | 8        | 30.73                   | 213.50                  |
| <b>Total Non-Current Assets</b>  |          | <b>1,726.06</b>         | <b>1,687.06</b>         |
| <b>Current Assets</b>  |          |                         |                         |
| Inventories  | 10       | 87.10                   | 10.42                   |
| Financial Assets   |          |                         |                         |
| a. Trade Receivables   | 11       | 471.07                  | 2,557.71                |
| b. Cash and Cash Equivalents   | 12       | 90.29                   | 34.41                   |
| c. Bank Balances other than (b) above  | 13       | 355.45                  | 232.33                  |
| d. Loans and Advances  | 14       | 18.11                   | 20.31                   |
| e. Other Financial Assets  | 15       | 6.12                    | 9.95                    |
| Current Tax Assets   | 16       | 86.06                   | 134.79                  |
| Other Current Assets   | 17       | 381.29                  | 422.94                  |
| <b>Total Current Assets</b>  |          | <b>1,495.49</b>         | <b>3,422.86</b>         |
| <b>Total Assets</b>  |          | <b>3,221.55</b>         | <b>5,109.92</b>         |
| <b>EQUITY AND LIABILITIES</b>  |          |                         |                         |
| <b>Equity</b>  |          |                         |                         |
| Equity Share Capital   | 18       | 334.32                  | 334.32                  |
| Other Equity   | 19       | 985.05                  | 1,017.32                |
| <b>Total Equity</b>  |          | <b>1,319.37</b>         | <b>1,351.64</b>         |
| <b>Liabilities</b>   |          |                         |                         |
| <b>Non-Current Liabilities</b>   |          |                         |                         |
| Financial Liabilities  |          |                         |                         |
| a. Borrowings  | 20       | 506.91                  | 466.56                  |
| Provisions   | 21       | 17.12                   | 42.06                   |
| Deferred Tax Liability   | 9        | 49.36                   | 25.01                   |
| <b>Total Non-Current Liabilities</b>   |          | <b>573.39</b>           | <b>533.63</b>           |
| <b>Current Liabilities</b>   |          |                         |                         |
| Financial Liabilities  |          |                         |                         |
| a. Borrowings  | 22       | 15.94                   | 465.30                  |
| b. Trade Payables  | 23       | -                       | -                       |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises            |          | -                       | -                       |
| Total Outstanding Dues of other than Micro Enterprises and Small Enterprises |          | 649.47                  | 1,662.42                |
| c. Other Financial Liabilities   | 24       | 329.77                  | 344.22                  |
| Other Current Liabilities  | 25       | 225.95                  | 588.83                  |
| Provisions   | 26       | 107.66                  | 163.88                  |
| <b>Total Current Liabilities</b>   |          | <b>1,328.79</b>         | <b>3,224.65</b>         |
| <b>Total Liabilities</b>   |          | <b>1,902.18</b>         | <b>3,758.28</b>         |
| <b>Total Equity and Liabilities</b>  |          | <b>3,221.55</b>         | <b>5,109.92</b>         |
| Significant accounting policies and notes to standalone financial statements | 1-48     |                         |                         |

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

**Sachit Kanwar**  
Executive Director-Operations  
(DIN: 02132124)

**Sameer Kanwar** (DIN: 00033622)  
**Dr. Sanjeev Kumar** (DIN: 00364416)  
**Seethalakshmi Venkataraman** (DIN: 07156898)  
**Rajiv Chandra Rastogi** (DIN: 00035460)  
**Naresh Kumar Verma** (DIN: 07087356)  
Directors

**Sanjay Nath**  
Partner  
Membership No. 082700

**Rajan Malhotra**  
Chief Executive Officer  
(PAN: AAPEM3206C)

**Kailash Chandra Yadav**  
Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

Date: 22 June, 2021

## STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars  | Note No. | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|--|----------|--------------------------------------|--------------------------------------|
| Revenue from operations  | 27       | 987.13                               | 1,853.13                             |
| Other income   | 28       | 522.56                               | 368.87                               |
| <b>Total revenue/income</b>  |          | <b>1,509.69</b>                      | <b>2,222.00</b>                      |
| <b>EXPENSES</b>  |          |                                      |                                      |
| a. Cost of material consumed   | 29       | 42.05                                | 518.72                               |
| b. Changes in Inventory of work-in-progress  | 29A      | 77.54                                | -                                    |
| c. Employee benefits expenses  | 30       | 365.38                               | 562.72                               |
| d. Finance cost  | 31       | 149.21                               | 291.70                               |
| e. Depreciation and amortization expenses  | 32       | 74.67                                | 83.64                                |
| f. Bad debts written off   |          | 165.72                               | 687.05                               |
| g. Allowance for expected credit loss  |          | 9.36                                 | 559.27                               |
| h. Decrease in Fair value of Investment  |          | -                                    | 399.92                               |
| i. Allowance for Impairment losses   |          | -                                    | 764.80                               |
| j. Other expenses  | 33       | 631.12                               | 986.46                               |
| <b>Total expenses</b>  |          | <b>1,515.05</b>                      | <b>4,854.28</b>                      |
| <b>Profit/(Loss) before tax</b>  |          | <b>(5.36)</b>                        | <b>(2,632.28)</b>                    |
| Income tax expenses  |          |                                      |                                      |
| a. Current tax   |          | -                                    | -                                    |
| b. Tax expense related to prior period   |          | -                                    | -                                    |
| <b>Net current tax</b>   | 35       | -                                    | -                                    |
| Deferred tax-charge/(credit)   | 35       | 24.35                                | 289.50                               |
| <b>Total tax expense</b>   |          | <b>24.35</b>                         | <b>289.50</b>                        |
| <b>Profit/(Loss) for the year</b>  |          | <b>(29.71)</b>                       | <b>(2,921.78)</b>                    |
| <b>Other Comprehensive Income</b>  |          |                                      |                                      |
| <b>a. Items that may be reclassified to Profit and Loss</b>                                    |          |                                      |                                      |
| Income tax effect  |          | -                                    | -                                    |
|  |          | -                                    | -                                    |
| <b>b. Items that will not be reclassified to Profit and Loss</b>                               |          |                                      |                                      |
| Re-measurement gains/(Losses) on defined benefit plan  |          | (2.56)                               | 11.19                                |
| Income tax effect  |          | -                                    | -                                    |
|  |          | <b>(2.56)</b>                        | <b>11.19</b>                         |
| <b>Other Comprehensive Income for the Year (net of tax) (a+b)</b>                              |          | <b>(2.56)</b>                        | <b>11.19</b>                         |
| <b>Total Comprehensive Income for the year</b>   |          | <b>(32.27)</b>                       | <b>(2,910.59)</b>                    |
| <b>Earnings per equity share of [nominal value per share ₹ 10/- (31 March, 2020 : ₹ 10/-)]</b> |          |                                      |                                      |
| Basic earning per share  | 34       | (0.89)                               | (87.39)                              |
| Diluted earning per share  | 34       | (0.89)                               | (87.39)                              |
| Significant accounting policies and notes to standalone financial statements                   | 1-48     |                                      |                                      |

This is the Statement of Profit and Loss referred to in our report of even date.

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

For and on behalf of the Board of Directors

**Sachit Kanwar**  
Executive Director-Operations  
(DIN: 02132124)

**Sameer Kanwar** (DIN: 00033622)  
**Dr. Sanjeev Kumar** (DIN: 00364416)  
**Seethalakshmi Venkataraman** (DIN: 07156898)  
**Rajiv Chandra Rastogi** (DIN: 00035460)  
**Naresh Kumar Verma** (DIN: 07087356)  
Directors

**Sanjay Nath**  
Partner  
Membership No. 082700

**Rajan Malhotra**  
Chief Executive Officer  
(PAN: AAEPM3206C)

**Kailash Chandra Yadav**  
Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

Date: 22 June, 2021

## STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars  | Year ended<br>31 March, 2021 | Year ended<br>31 March, 2020 |
|--|------------------------------|------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                                       |                              |                              |
| Profit/(Loss) before tax   | (5.36)                       | (2,632.28)                   |
| <b>Adjustments for:</b>  |                              |                              |
| Net (gain)/Loss on fair value of financial assets through Statement of Profit & loss | (112.16)                     | 1,164.72                     |
| Expected credit loss   | 9.36                         | 559.27                       |
| Depreciation and amortization  | 74.67                        | 83.64                        |
| Loss on sale of fixed Assets   | 2.78                         | 4.36                         |
| Interest and other charges   | 149.21                       | 291.70                       |
| Interest Income  | (33.37)                      | (39.75)                      |
| Profit on sale of asset  | (0.03)                       | (0.06)                       |
| <b>Operating profit before working capital changes</b>                               | <b>(85.10)</b>               | <b>(568.40)</b>              |
| <b>Changes in working Capital</b>  |                              |                              |
| Adjustments for (increase)/decrease in operating assets:                             |                              |                              |
| Trade receivables  | 2,077.28                     | (713.66)                     |
| Inventories  | (76.68)                      | 32.66                        |
| Long Term loans & advances   | 1.50                         | 3.40                         |
| Short term loans & advances  | 2.20                         | (8.16)                       |
| Non-current trade receivables  | (748.82)                     | 2,071.40                     |
| Other current financial assets   | 3.83                         | 4.34                         |
| Other non current financial assets   | 182.77                       | 39.49                        |
| Other current assets   | 90.38                        | 210.91                       |
| <b>Adjustments for increase/(decrease) in operating liabilities:</b>                 |                              |                              |
| Trade payables   | (1,012.95)                   | (1,334.54)                   |
| Provisions   | (83.72)                      | (8.83)                       |
| Other current liabilities  | (376.64)                     | 24.64                        |
| <b>Cash generated from operations</b>  | <b>144.25</b>                | <b>(246.75)</b>              |
| Direct Taxes paid (Net)  | -                            | -                            |
| <b>Net Cash from/(used) in operating activities</b>                                  | <b>144.25</b>                | <b>(246.75)</b>              |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                                       |                              |                              |
| Purchase of fixed assets   | (0.47)                       | (35.70)                      |
| Sale of fixed assets/Investments   | 560.76                       | 9.04                         |
| Interest received  | 33.37                        | 39.75                        |
| Investment in deposits   | (124.82)                     | 361.93                       |
| <b>Net Cash from/(used) in investment activities</b>                                 | <b>468.84</b>                | <b>375.02</b>                |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                                       |                              |                              |
| Proceeds from long term borrowings   | 54.61                        | 270.00                       |
| Proceeds (repayments) from short term borrowings                                     | (449.36)                     | (199.05)                     |
| Repayment of long term borrowings  | (13.25)                      | (22.91)                      |
| Interest and other charges paid  | (149.21)                     | (291.70)                     |
| Dividend including dividend distribution Tax paid                                    | (1.71)                       | (1.34)                       |
| <b>Net Cash from/(used) in financing activities</b>                                  | <b>(558.92)</b>              | <b>(245.00)</b>              |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                          | <b>54.17</b>                 | <b>(116.73)</b>              |
| <b>Opening balance of Cash and cash equivalents</b>                                  | <b>42.71</b>                 | <b>159.44</b>                |
| <b>Closing balance of Cash and cash equivalents</b>                                  | <b>96.88</b>                 | <b>42.71</b>                 |

## STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2021.... CONTD.

### Reconciliation of cash and cash equivalents as per the cash flow statements

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars  | Year ended<br>31 March, 2021 | Year ended<br>31 March, 2020 |
|--|------------------------------|------------------------------|
| (a) Cash and cash equivalents as per above comprise of the following |                              |                              |
| Cash on hand   | 0.42                         | 1.12                         |
| Balance with scheduled banks:  |                              |                              |
| in current accounts  | 96.46                        | 41.59                        |
| <b>Cash and cash equivalents at the end of the year</b>              | <b>96.88</b>                 | <b>42.71</b>                 |

(b) The above Cash Flow statement is prepared as per "Indirect method" specified in Ind AS 7 "Statement of Cash Flows".

Changes in liabilities arising from financing activities, including changes arising from cash flows and non cash changes as per IND AS 7 - statement of cash flows are shown below

| Particulars  | Year ended<br>31 March, 2021 | Year ended<br>31 March, 2020 |
|--|------------------------------|------------------------------|
| Opening Balance of Borrowings at beginning of the year               | 956.67                       | 908.62                       |
| Net Addition in Lease Liability during the year                      | -                            | -                            |
| Net Cash Flow from/(Used in) Financing Activities *                  | (408.00)                     | 48.05                        |
| Closing Balance of Borrowings and Lease Liability at end of the year | 548.67                       | 956.67                       |

\* Excluding proceeds from issuance of equity shares, securities premium, finance costs, dividend and dividend distribution tax.

This is the Statement of Cash flow referred to in our report of even date.

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

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

**Sachit Kanwar**  
Executive Director-Operations  
(DIN: 02132124)

**Sameer Kanwar** (DIN: 00033622)  
**Dr. Sanjeev Kumar** (DIN: 00364416)  
**Seethalakshmi Venkataraman** (DIN: 07156898)  
**Rajiv Chandra Rastogi** (DIN: 00035460)  
**Naresh Kumar Verma** (DIN: 07087356)  
Directors

**Sanjay Nath**  
Partner  
Membership No. 082700

**Rajan Malhotra**  
Chief Executive Officer  
(PAN: AAEPM3206C)

**Kailash Chandra Yadav**  
Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

Date: 22 June, 2021

## STANDALONE STATEMENT OF CHANGES IN EQUITY

## A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                    | Notes | Amount |
|--------------------------------|-------|--------|
| As at 31 March, 2020           | 19    | 334.32 |
| Change in equity share capital |       | -      |
| As at 31 March, 2021           | 19    | 334.32 |

## B. Other Equity

| Particulars  | Notes     | Reserves and Surplus |                            |                 |                   | Other Comprehensive Income | Total Other Equity |
|--|-----------|----------------------|----------------------------|-----------------|-------------------|----------------------------|--------------------|
|  |           | Capital Reserve      | Securities Premium Reserve | General Reserve | Retained Earnings |                            |                    |
| Balance at 01 April, 2019                                    |           | 0.67                 | 162.43                     | 1,525.27        | 2,197.82          | 41.72                      | 3,927.91           |
| Profit/(Loss) for the year                                   |           | -                    | -                          | -               | (2,921.78)        | -                          | (2,921.78)         |
| Re-measurement gains/(losses) on defined benefit plan        |           | -                    | -                          | -               | -                 | 11.19                      | 11.19              |
| <b>Total comprehensive income for the year</b>               | <b>20</b> | <b>0.67</b>          | <b>162.43</b>              | <b>1,525.27</b> | <b>(723.96)</b>   | <b>52.91</b>               | <b>1,017.32</b>    |
| <b>Transactions with owners in their capacity as owners:</b> |           |                      |                            |                 |                   |                            |                    |
| Remeasurement of defined benefit plans (net of tax)          |           | -                    | -                          | -               | -                 | -                          | -                  |
| <b>Balance at 31 March, 2020</b>                             | <b>20</b> | <b>0.67</b>          | <b>162.43</b>              | <b>1,525.27</b> | <b>(723.96)</b>   | <b>52.91</b>               | <b>1,017.32</b>    |
| Balance at 01 April, 2020                                    |           | 0.67                 | 162.43                     | 1,525.27        | (723.96)          | 52.91                      | 1,017.32           |
| Profit/(Loss) for the year                                   |           | -                    | -                          | -               | (29.71)           | -                          | (29.72)            |
| Re-measurement gains/(losses) on defined benefit plan        |           | -                    | -                          | -               | -                 | (2.56)                     | (2.56)             |
| <b>Total comprehensive income for the year</b>               | <b>20</b> | <b>0.67</b>          | <b>162.43</b>              | <b>1,525.27</b> | <b>(753.67)</b>   | <b>50.35</b>               | <b>985.05</b>      |
| <b>Transactions with owners in their capacity as owners:</b> |           |                      |                            |                 |                   |                            |                    |
| Remeasurement of defined benefit plans (net of tax)          |           | -                    | -                          | -               | -                 | -                          | -                  |
| <b>Balance at 31 March, 2021</b>                             | <b>20</b> | <b>0.67</b>          | <b>162.43</b>              | <b>1,525.27</b> | <b>(753.67)</b>   | <b>50.35</b>               | <b>985.05</b>      |

This is the Statement of changes in Equity referred to in our report of even date.

For and on behalf of the Board of Directors

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

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Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

Date: 22 June, 2021

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Note | Particulars |
|------|-------------|
|------|-------------|

### 1. COMPANY OVERVIEW

Raunaq EPC International Limited ('the Company') is engaged in Engineering Contracting Business, established in 1965 and primarily in the service of core infrastructural and industrial sectors in India, namely Power, Chemical, Hydro-carbon, Metal and Automobile sectors. The Company is a Limited Company and has its Registered Office in Haryana, India. Its shares are listed on the BSE Limited. The Company has sufficient in-house resources in terms of Engineering Manpower, Tools & Plants, and Technical know-how.

These financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 22 June, 2021.

### 2. SIGNIFICANT ACCOUNTING POLICIES

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

##### a. STATEMENT OF COMPLIANCE

The standalone financial statements of the Company have been prepared in compliance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

##### b. These financial statements have been prepared on a historical cost basis except for the following:-

- Certain Financial Assets and liabilities measured at fair value.
- Defined benefit plans - Plan assets measured at fair value.

#### 2.2 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all amount are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

#### 2.3 USE OF ESTIMATES

The preparation of financial statements in accordance with Ind AS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported account of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialized.

#### 2.4 REVENUE RECOGNITION

##### a. REVENUE FROM CONSTRUCTION CONTRACT

Company is providing EPC services to its customer under the fixed price contract. Contract Revenue is recognized in the year in which the services are rendered. In fixed price contract, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual work done approved by the customer.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

| Note | Particulars |
|------|-------------|
|------|-------------|

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured and received from customer.

## b. OTHERS ITEMS OF REVENUE

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate method.

Dividend income is recognised when the Company's right to receive the payment is established.

Other items like extra items claim, insurance claims, any receipts on account of pending income tax, sales tax, GST and excise duty assessments, where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.

## 2.5 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment assets are carried at cost net of tax/duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The items of property, plant and equipment which are not yet ready for use are disclosed as Capital work-in-progress and are carried at historical cost.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

Gain and losses on disposal or retirement of assets are determined by comparing proceeds with carrying amount. These are recognised in the Statement of Profit and Loss.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful life prescribed in Schedule II to the Act, which are also supported.

The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at end of each financial year and any changes there-in are considered as change in estimate and accounted prospectively.

## 2.6 INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets (Computer Software) are stated at cost less accumulated amortization and impaired loss, if any. Computer Software for internal use which is primarily acquired is capitalized. Subsequently costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes licenses fees, cost of implementation, system integration services etc. where applicable.

The Company amortises intangible assets (Computer Software) with a finite useful life using the straight line method over a period of (3/5years).

## 2.7 IMPAIRMENT OF ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Company estimates the asset recoverable amount. An asset's recoverable amount is the higher of an asset or Cash-generating unit (CGU) fair value less cost of disposal and its fair value in use. Recoverable amount is determined for an individual asset,

| Note | Particulars |
|------|-------------|
|------|-------------|

unless the asset does not generate cash inflows that are largely independent of those from other asset or group of asset. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. Impaired losses are recognised in statement of profit and loss.

## 2.8 INVENTORIES

Raw material, stores, work-in-progress and traded goods are stated at the lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost of inventories comprises all cost of purchase and other cost incurred in bringing them to their present location and condition. The cost, in general, is determined under First In First Out (FIFO) Method.

Contract cost incurred related to future activity of the contract are recognised as an asset provided it is probable that they will be recovered during the contract price. Such cost represent the amount due from customer and are often classified as contract work-in-progress.

## 2.9 FOREIGN CURRENCY TRANSACTIONS

Transaction in foreign currencies are initially recorded by the Company at rates prevailing on the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in Profit and Loss. Difference arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are carried in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the transaction.

## 2.10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For considering the Company's earnings per share the net profit or loss for the period is taken. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.11 BORROWING COSTS

Borrowing cost specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to revenue in the period in which it is incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

Finance costs will normally include:

- i) interest expense calculated using the effective interest rate method as described in Ind AS 109,
- ii) the unwinding of the effect of discounting provisions.

## 2.12 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

| Note | Particulars |
|------|-------------|
|------|-------------|

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability is not considered. However, a disclosure for contingent liabilities is made when there is a possible obligation arising from past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

## 2.13 DIVIDEND

Dividend on equity shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as a liability on the date of declaration by the Company's Board of Directors.

## 2.14 CASH AND CASH EQUIVALENTS

For the purpose of the Statement of cash flows, cash and cash equivalents consists of cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

## 2.15 EMPLOYEE BENEFITS

- Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related service are rendered.
- Compensated absence is accounted for using the project unit credit method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- Contribution payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are defined contribution plans. The contributions are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.
- Certain employees are participated in a defined contribution plan of superannuation. The Company has no further obligation to plan beyond its monthly contribution which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.
- The cost of providing gratuity, a defined benefit plan is determined using the Projected Unit Credit Method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in Statement of profit and loss.

The Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by trust. The corpus of which is invested with the Life Insurance Corporation of India.

## 2.16 LEASES

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

## 2.17 INCOME TAXES

Income tax expenses comprises current and deferred income tax. Income tax expenses are recognised in the Statement of Profit and Loss except that it relates to items recognised directly in equity, in those case it is recognised in 'Other Comprehensive Income'. Current Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

| Note | Particulars |
|------|-------------|
|------|-------------|

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiary where it is expected that earnings of the subsidiary will not be distributed in foreseeable future. The Company off sets current tax assets and Current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously. The income tax provision of the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

## 2.18 FINANCIAL INSTRUMENTS

A financial instrument is any contract that give rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### a. Financial Assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

#### Subsequent measurement

Financial assets are subsequently measured at amortized cost or fair value through profit or loss depending on its business model for managing those financial assets and the asset's contractual cash flow characteristics.

#### Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. If credit risk has not increased significantly 12 months ECL is used to provide the impairment loss. If credit risk has increased significantly lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expenses in the statement of profit & loss.

### b. Financial Liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings or payable.

| Note | Particulars   |
|------|---|
|      | <p>All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.</p> <p>The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.</p> <p><u>Subsequent measurement</u></p> <p>The measurement of financial liabilities depends on their classification described below:</p> <p><b>Financial liabilities at fair value through profit and loss</b></p> <p>Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All change in the fair value of such liability are recognised in the statement of profit and loss.</p> <p><b>Loan and borrowings</b></p> <p>After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.</p> <p><b>Derecognition</b></p> <p>A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.</p> |

## 2.19 SEGMENT REPORTING

Operating systems are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Company has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Company and make strategic decision. Refer note 37 for segment information presented.

## 2.20 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions which affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosure of contingent assets and liabilities as at the balance sheet date.

The areas involving critical estimates or judgement are:

### i. Critical estimates

- a. Measurement of defined benefit obligations - Note 43
- b. Estimated useful life of intangible assets, property, plant and equipment - Note 2.5 and 2.6
- c. Estimated fair value of financial instruments - Note 45
- d. Recognition of revenue - Note 2.4
- e. Provision for expected credit losses - Note 40

### ii. Significant Judgements

- a. Designating financial asset/liability through fair value through profit or loss so as to reduce/eliminate accounting mismatch.
- b. Probability of an outflow of resources to settle an obligation resulting in recognition of provision.

The estimates, judgement and assumptions used in the financial statements are based upon Management's evaluation of relevant facts and circumstances and as at the date of financial statements. Accounting estimates could differ from period to period and accordingly appropriate changes in estimates are made as the management becomes aware of the changes. Actual results could differ from the estimates.

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 3 : Property, Plant & Equipment

| Particulars                             | Plant and Machinery | Office Equipment | Furniture and Fixtures | Electricals Fittings | Vehicles      | Computers   | Total         |
|---|---------------------|------------------|------------------------|----------------------|---------------|-------------|---------------|
| <b>As at 31 March, 2020</b>             |                     |                  |                        |                      |               |             |               |
| <b>Gross carrying amount</b>            |                     |                  |                        |                      |               |             |               |
| Opening gross carrying amount           | 411.43              | 2.67             | 23.17                  | 0.47                 | 200.77        | 21.10       | 659.61        |
| Addition                                | 31.98               | 0.22             | 2.93                   | -                    | -             | 0.57        | 35.70         |
| Disposals/transfers                     | 21.08               | 2.47             | 11.18                  | -                    | 3.65          | 11.78       | 50.16         |
| <b>Closing gross carrying amount</b>    | <b>422.33</b>       | <b>0.42</b>      | <b>14.92</b>           | <b>0.47</b>          | <b>197.12</b> | <b>9.89</b> | <b>645.15</b> |
| <b>Accumulated depreciation</b>         |                     |                  |                        |                      |               |             |               |
| Opening accumulated depreciation        | 82.30               | 1.44             | 3.67                   | 0.10                 | 55.43         | 12.26       | 155.22        |
| Depreciation charged during the year    | 40.28               | 0.28             | 2.90                   | -                    | 25.79         | 2.20        | 71.47         |
| Disposals/transfers                     | 12.54               | 2.30             | 9.71                   | -                    | 3.33          | 9.63        | 37.52         |
| <b>Closing accumulated depreciation</b> | <b>110.04</b>       | <b>(0.58)</b>    | <b>(3.14)</b>          | <b>0.10</b>          | <b>77.89</b>  | <b>4.83</b> | <b>189.17</b> |
| <b>Net carrying amount</b>              | <b>312.29</b>       | <b>1.00</b>      | <b>18.06</b>           | <b>0.37</b>          | <b>119.23</b> | <b>5.06</b> | <b>455.98</b> |
| <b>As at 31 March, 2021</b>             |                     |                  |                        |                      |               |             |               |
| <b>Gross carrying amount</b>            |                     |                  |                        |                      |               |             |               |
| Opening gross carrying amount           | 422.33              | 0.42             | 14.92                  | 0.47                 | 197.12        | 9.89        | 645.15        |
| Addition                                | 0.29                | 0.18             | -                      | -                    | -             | -           | 0.47          |
| Disposals/transfers                     | 18.92               | -                | 12.10                  | -                    | -             | -           | 31.02         |
| <b>Closing gross carrying amount</b>    | <b>403.70</b>       | <b>0.60</b>      | <b>2.82</b>            | <b>0.47</b>          | <b>197.12</b> | <b>9.89</b> | <b>614.60</b> |
| <b>Accumulated depreciation</b>         |                     |                  |                        |                      |               |             |               |
| Opening accumulated depreciation        | 110.04              | (0.58)           | (3.14)                 | 0.10                 | 77.89         | 4.83        | 189.17        |
| Depreciation charged during the year    | 42.05               | 0.15             | 1.82                   | -                    | 25.55         | 1.12        | 70.69         |
| Disposals/transfers                     | 11.52               | -                | -                      | -                    | -             | -           | 11.52         |
| <b>Closing accumulated depreciation</b> | <b>140.57</b>       | <b>(0.43)</b>    | <b>(1.32)</b>          | <b>0.10</b>          | <b>103.44</b> | <b>5.95</b> | <b>248.34</b> |
| <b>Net carrying amount</b>              | <b>263.13</b>       | <b>1.03</b>      | <b>4.14</b>            | <b>0.37</b>          | <b>93.68</b>  | <b>3.94</b> | <b>366.26</b> |

## Note 4 : Intangible Assets

| Particulars                             | Software     | Total        |
|---|--------------|--------------|
| <b>As at 31 March, 2020</b>             |              |              |
| <b>Gross carrying amount</b>            |              |              |
| Opening gross carrying amount           | 45.74        | 45.74        |
| Addition                                | -            | -            |
| Disposals/transfers                     | 12.51        | 12.51        |
| <b>Closing gross carrying amount</b>    | <b>33.23</b> | <b>33.23</b> |
| <b>Accumulated depreciation</b>         |              |              |
| Opening accumulated depreciation        | 28.94        | 28.94        |
| Depreciation charged during the year    | 12.20        | 12.20        |
| Disposals/transfers                     | 11.89        | 11.89        |
| <b>Closing accumulated depreciation</b> | <b>29.25</b> | <b>29.25</b> |
| <b>Net carrying amount</b>              | <b>3.98</b>  | <b>3.98</b>  |
| <b>As at 31 March, 2021</b>             |              |              |
| <b>Gross carrying amount</b>            |              |              |
| Opening gross carrying amount           | 33.23        | 33.23        |
| Addition                                | -            | -            |
| Disposals/transfers                     | -            | -            |
| <b>Closing gross carrying amount</b>    | <b>33.23</b> | <b>33.23</b> |
| <b>Accumulated depreciation</b>         |              |              |
| Opening accumulated depreciation        | 29.25        | 29.25        |
| Depreciation charged during the year    | 3.98         | 3.98         |
| Disposals/transfers                     | -            | -            |
| <b>Closing accumulated depreciation</b> | <b>33.23</b> | <b>33.23</b> |
| <b>Net carrying amount</b>              | <b>-</b>     | <b>-</b>     |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 5 : Non-current Investments

| Particulars   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Investment in Equity Instruments</b>   |                         |                         |
| <b>A. Investment in Associate Company (At cost)</b>   |                         |                         |
| <b>Unquoted</b>   |                         |                         |
| 37,06,159 (31 March, 2020 : 1,48,77,038) Equity shares of ₹ 10/- each fully paid up in Xlerate Driveline India Limited                                | 178.88                  | 1,487.70                |
| Less:- Allowance for Impairment losses  | -                       | (764.80)                |
| <b>Sub-total</b>  | <b>178.88</b>           | <b>722.90</b>           |
| <b>B. Investment in Others</b>  |                         |                         |
| <b>Quoted</b>   |                         |                         |
| At fair value through profit and loss (FVTPL) 2,36,097 (31 March, 2020 : 2,36,097) Equity shares of ₹ 10/- each fully paid up in Bharat Gears Limited | 172.70                  | 60.54                   |
| <b>Sub-total</b>  | <b>172.70</b>           | <b>60.54</b>            |
| <b>Total</b>  | <b>351.58</b>           | <b>783.44</b>           |
| Aggregate amount of Quoted Investments and market value thereof   | 172.70                  | 60.54                   |
| Aggregate amount of Unquoted Investments  | 178.88                  | 722.90                  |

## Note 6 : Non-current Loans and Advances

| Particulars                | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|----------------------------|-------------------------|-------------------------|
| <b>Security deposit</b>    |                         |                         |
| Unsecured, considered good | 1.03                    | 2.53                    |
| <b>Total</b>               | <b>1.03</b>             | <b>2.53</b>             |

## Note 7 : Non-current Trade Receivables

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Trade receivables including retention money                      | 976.46                  | 227.63                  |
| Trade receivables which have significant increase in credit risk | 9.36                    | 17.71                   |
| Trade receivables - credit impaired                              | (9.36)                  | (17.71)                 |
| <b>Total</b>   | <b>976.46</b>           | <b>227.63</b>           |

## Note 8 : Other Non-current Financial Assets

| Particulars   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Long term deposits with banks with maturity period more than 12 months</b> |                         |                         |
| Refer (a) below   | 30.73                   | 213.50                  |
| <b>Total</b>  | <b>30.73</b>            | <b>213.50</b>           |

(a) ₹ 30.73 Lakhs (31 March, 2020 : ₹ 213.50 Lakhs) held as Margin money against bank guarantees.

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 9 : Deferred Tax Liability

| Particulars   | As at<br>31 March, 2021 | (Charged)/<br>credit<br>during the<br>year | As at<br>31 March, 2020 |
|---|-------------------------|--|-------------------------|
| <b>Deferred tax liabilities on account of:</b>                |                         |  |                         |
| a) Difference between book and tax depreciation               | (20.20)                 | 4.81                                       | (25.01)                 |
| b) Income on Fair valuation of shares of Bharat Gears Limited | (29.16)                 | (29.16)                                    | -                       |
| <b>Total deferred tax assets</b>                              | <b>(49.36)</b>          | <b>(24.35)</b>                             | <b>(25.01)</b>          |

## Note 10 : Inventories

| Particulars                               | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| At lower of cost and net realisable value |                         |                         |
| Stock-in trade-traded goods               | 14.92                   | 10.42                   |
| Work in Progress                          | 72.18                   | -                       |
| <b>Total</b>                              | <b>87.10</b>            | <b>10.42</b>            |

## Note 11 : Current Trade Receivables

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| <b>Unsecured considered good, unless otherwise stated</b>        |                         |                         |
| Trade receivables  | 471.07                  | 2,557.71                |
| Trade receivables which have significant increase in credit risk | -                       | 588.00                  |
| Trade receivables - credit impaired                              | -                       | (588.00)                |
| <b>Total</b>   | <b>471.07</b>           | <b>2,557.71</b>         |

## Note 12 : Cash and Cash Equivalents

| Particulars               | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---------------------------|-------------------------|-------------------------|
| <b>Balance with banks</b> |                         |                         |
| In current account        | 89.87                   | 33.29                   |
| Cash on hand              | 0.42                    | 1.12                    |
| <b>Total</b>              | <b>90.29</b>            | <b>34.41</b>            |

## Note 13 : Bank Balances other than Cash and Cash Equivalents

| Particulars                                     | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Other balances</b>                           |                         |                         |
| <b>Earmarked balances with banks for:</b>       |                         |                         |
| Unpaid dividends                                | 6.59                    | 8.30                    |
| <b>Fixed deposits with various authorities</b>  |                         |                         |
| Margin money against bank guarantees and others | 348.86                  | 224.03                  |
| <b>Total</b>                                    | <b>355.45</b>           | <b>232.33</b>           |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 14 : Current Loans and Advances

| Particulars                       | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Unsecured, considered good</b> |                         |                         |
| Security deposits                 | 6.67                    | 5.20                    |
| Loans and advances to employee    | 11.44                   | 15.10                   |
| <b>Total</b>                      | <b>18.11</b>            | <b>20.30</b>            |

## Note 15 : Other Current Financial Assets

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Accrued interest on deposits with banks and others | 6.12                    | 9.95                    |
| <b>Total</b>                                       | <b>6.12</b>             | <b>9.95</b>             |

## Note 16 : Current Tax Assets

| Particulars                           | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| Current tax assets (net of provision) | 86.06                   | 134.79                  |
| <b>Total</b>                          | <b>86.06</b>            | <b>134.79</b>           |

## Note 17 : Other Current Assets

| Particulars   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Unsecured considered good</b>                                    |                         |                         |
| Prepaid expenses  | 31.21                   | 37.50                   |
| Advances recoverable in cash or in kind or for value to be received | 163.51                  | 130.00                  |
| Balance with Government authorities                                 | 186.57                  | 255.44                  |
| <b>Total</b>  | <b>381.29</b>           | <b>422.94</b>           |

## Note 18 : Equity Share Capital

| Particulars   | As at 31 March, 2021 |               | As at 31 March, 2020 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | No. of Shares        | ₹ in Lakhs    | No. of Shares        | ₹ in Lakhs    |
| <b>Authorized:</b>                                    |                      |               |                      |               |
| Equity shares of ₹ 10 each (31 March, 2020 ₹ 10 each) | 3,50,00,000          | 3,500.00      | 3,50,00,000          | 3,500.00      |
| <b>Issued, Subscribed and Paid-up:</b>                |                      |               |                      |               |
| Equity shares of ₹ 10 each (31 March, 2020 ₹ 10 each) | 33,43,243            | 334.32        | 33,43,243            | 334.32        |
| <b>Total</b>  |                      | <b>334.32</b> |                      | <b>334.32</b> |

The Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### Reconciliation of shares issued

As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

# RAUNAQ EPC INTERNATIONAL LIMITED

(All amounts in ₹ Lakhs, unless otherwise stated)

## Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the company

| Particulars                                | As at 31 March, 2021 |       | As at 31 March, 2020 |       |
|--|----------------------|-------|----------------------|-------|
|  | No. of Shares        | %     | No. of Shares        | %     |
| Mr. Surinder Paul Kanwar                   | 14,66,695            | 43.87 | 14,66,695            | 43.87 |
| Strategic Capital Partners Private Limited | 2,45,316             | 7.34  | 2,45,316             | 7.34  |
| Soham Ashokkumar Shah                      | 2,00,972             | 6.01  | 2,35,972             | 7.06  |

### Note 19 : Other Equity

| Particulars                | Refer following items | As at 31 March, 2021 | As at 31 March, 2020 |
|----------------------------|-----------------------|----------------------|----------------------|
| Capital reserve            | 19(a)                 | 0.67                 | 0.67                 |
| Securities premium reserve | 19(b)                 | 162.43               | 162.43               |
| General reserve            | 19(c)                 | 1,525.27             | 1,525.27             |
| Retained earnings          | 19(d)                 | (703.32)             | (671.05)             |
| <b>Total</b>               |                       | <b>985.05</b>        | <b>1,017.32</b>      |

| Particulars  | As at 31 March, 2021 | As at 31 March, 2020 |
|--|----------------------|----------------------|
| a. Capital reserve-balance at the beginning and end of the year            | 0.67                 | 0.67                 |
| b. Securities premium reserve-balance at the beginning and end of the year | 162.43               | 162.43               |
| c. General Reserve   |                      |                      |
| Balance at the beginning of the year                                       | 1,525.27             | 1,525.27             |
| Add: Transferred from retained earnings                                    | -                    | -                    |
| Balance at the end of the year   | 1,525.27             | 1,525.27             |
| d. Retained earnings   |                      |                      |
| Balance at the beginning of the year                                       | (671.05)             | 2,239.54             |
| Profit for the year  | (29.71)              | (2,921.78)           |
| Remeasurement of defined benefit plans (net of tax)                        | (2.56)               | 11.19                |
| Balance at the end of the year   | (703.32)             | (671.05)             |
| <b>Total</b>   | <b>985.05</b>        | <b>1,017.32</b>      |

### Nature and purpose of reserves

**Capital Reserve:** Represents the reserves created as a result of forfeiture of shares of the Company. Capital reserve will be utilized for issue of fully paid bonus shares.

**Securities Premium Reserve:** The amount received from share holders in excess of face value of the equity shares is recognised in Securities Premium Reserve and will be utilized as per provisions of the Companies Act, 2013.

**General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. General Reserve will be utilized as per the provisions of the Companies Act, 2013. The same is a free reserve and available for distribution.

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 20 : Non-current Borrowings

| Particulars                 | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|-----------------------------|-------------------------|-------------------------|
| <b>Secured borrowings</b>   |                         |                         |
| Term loans from banks       | 18.31                   | 31.56                   |
| <b>Unsecured borrowings</b> |                         |                         |
| Loan from corporates        | 236.00                  | 235.00                  |
| Loan from others            | 252.60                  | 200.00                  |
| <b>Total</b>                | <b>506.91</b>           | <b>466.56</b>           |

### Note:

1. Term Loan from bank ₹ 18.31 Lakhs (31 March, 2020 : ₹ 31.56 Lakhs) was secured by way of hypothecation/ exclusive charge on assets financed. Repayable along with interest at the rate of 8% p.a. in 60 monthly installments financed by HDFC Bank Limited.
2. Loan from Corporates : Repayable at the end of 5/3 years and interest is charged at the rate of 9%/10% p.a.
3. Loan from others : Loan is non-interest bearing and Repayable at the end of 5 years or repayable at the end of 5 years and interest is charged at the rate of 9% p.a.

## Note 21 : Non-current Provisions

| Particulars                            | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| <b>Provision for employee benefits</b> |                         |                         |
| Provision for compensated absences     | 13.53                   | 42.06                   |
| Provision for Gratuity                 | 3.59                    | -                       |
| <b>Total</b>                           | <b>17.12</b>            | <b>42.06</b>            |

## Note 22 : Current Borrowings

| Particulars   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Secured Borrowings</b>                             |                         |                         |
| Working capital loans repayable on demand from        |                         |                         |
| - Bank - Overdraft Facility (OD) [refer footnote (i)] | -                       | 167.13                  |
| - NSIC RMA Account [refer footnote (ii)]              | 15.94                   | 298.17                  |
| <b>Total</b>  | <b>15.94</b>            | <b>465.30</b>           |

### Note:

- (i) Overdraft facility from bank is secured against the security of the Fixed deposit of Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company.
- (ii) Secured against bank guarantee issued by State Bank of India.

## Note 23 : Trade Payables

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises                          | -                       | -                       |
| Total outstanding dues of trade payable other than micro enterprises and small enterprises | 649.47                  | 1,662.42                |
| <b>Total</b>   | <b>649.47</b>           | <b>1,662.42</b>         |

# RAUNAQ EPC INTERNATIONAL LIMITED

(All amounts in ₹ Lakhs, unless otherwise stated)

There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED. No amount of interest accrued and remaining unpaid at the end of the year and no amount of further interest remaining due and payable in succeeding years. The above information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

## Note 24 : Other Current Financial Liabilities

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Current maturities of long-term debt (Refer Note 20) | 25.82                   | 24.81                   |
| Unclaimed dividend                                   | 6.59                    | 8.30                    |
| Employee dues  | 205.77                  | 216.32                  |
| Creditors for expenses                               | 57.39                   | 71.20                   |
| Interest payable                                     | 34.20                   | 23.59                   |
| <b>Total</b>   | <b>329.77</b>           | <b>344.22</b>           |

## Note 25 : Other Current Liabilities

| Particulars                                   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| Statutory dues                                | 42.24                   | 59.61                   |
| Contractually reimbursable expenses           | 19.98                   | 29.62                   |
| Contract mobilization advances from customers | 163.73                  | 499.60                  |
| <b>Total</b>                                  | <b>225.95</b>           | <b>588.83</b>           |

## Note 26 : Current Provisions

| Particulars                                 | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Provision for employee benefits</b>      |                         |                         |
| Provision for compensated absences          | 11.59                   | 29.18                   |
| Provision for gratuity                      | 13.52                   | 29.66                   |
| <b>Provision-others</b>                     |                         |                         |
| Provision for other outstanding liabilities | 82.55                   | 105.04                  |
| <b>Total</b>                                | <b>107.66</b>           | <b>163.88</b>           |

## Note 27 : Revenue from Operations

| Particulars   | For the Year<br>ended 31 March,<br>2021 | For the Year<br>ended 31 March,<br>2020 |
|---|---|---|
| Sales of service (service contracts/supply contracts) | 987.13                                  | 1,853.13                                |
| <b>Total</b>  | <b>987.13</b>                           | <b>1,853.13</b>                         |

## Note 28 : Other Income

| Particulars  | For the Year<br>ended 31 March,<br>2021 | For the Year<br>ended 31 March,<br>2020 |
|--|---|---|
| Interest income  | 33.37                                   | 39.75                                   |
| Net gain/(loss) on fair value of financial assets through statement of profit & loss (FVTPL) | 112.16                                  | -                                       |
| Amount received from revenue authorities   | -                                       | -                                       |
| Unclaimed balances written back  | 338.74                                  | 242.54                                  |
| Other non-operating income   | 38.29                                   | 86.58                                   |
| <b>Total</b>   | <b>522.56</b>                           | <b>368.87</b>                           |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 29 : Cost of Materials Consumed

| Particulars                    | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Opening stock                  | 10.42                                | 43.08                                |
| Add: Purchases during the year | 46.55                                | 486.06                               |
| Less: Closing stock            | 14.92                                | 10.42                                |
| Net material consumed          | 42.05                                | 518.72                               |
| <b>Total</b>                   | <b>42.05</b>                         | <b>518.72</b>                        |

## Note 29A : Changes in Inventory of Work-in-Progress

| Particulars                                       | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| <b>Inventories (at the end of the year)</b>       |                                      |                                      |
| - Work-in-progress                                | (77.54)                              | -                                    |
| <b>Inventories (at the beginning of the year)</b> |                                      |                                      |
| - Work-in-progress                                | -                                    | -                                    |
| <b>Total</b>                                      | <b>77.54</b>                         | <b>-</b>                             |

## Note 30 : Employee Benefits Expenses

| Particulars                                     | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| a. Salaries and wages                           | 319.77                               | 478.13                               |
| b. Contributions to provident and other fund    | 21.46                                | 36.12                                |
| c. Gratuity fund contribution - (Refer note 43) | 11.42                                | 27.25                                |
| d. Staff welfare expenses                       | 12.73                                | 21.22                                |
| <b>Total</b>                                    | <b>365.38</b>                        | <b>562.72</b>                        |

## Note 31 : Finance Cost

| Particulars  | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|--|--------------------------------------|--------------------------------------|
| a. Interest expenses on:                                       |                                      |                                      |
| Borrowings   | 67.22                                | 168.65                               |
| b. Other borrowing costs<br>(Bank and other financial charges) | 81.99                                | 123.05                               |
| <b>Total</b>   | <b>149.21</b>                        | <b>291.70</b>                        |

## Note 32 : Depreciation and Amortization Expenses

| Particulars                                   | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment | 70.69                                | 71.44                                |
| Amortization of intangible assets             | 3.98                                 | 12.20                                |
| <b>Total</b>                                  | <b>74.67</b>                         | <b>83.64</b>                         |

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 33 : Other Expenses**

| Particulars                                 | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| Consumption of stores and spare parts       | 85.86                                | 213.86                               |
| Erection expenses                           | 365.26                               | 429.03                               |
| Power and fuel                              | 5.19                                 | 11.41                                |
| Hire charges                                | 14.61                                | 54.61                                |
| Travelling & conveyance                     | 33.21                                | 58.55                                |
| Rent  | 23.41                                | 26.85                                |
| Repairs and maintenance - machinery         | 1.44                                 | 4.92                                 |
| Insurance                                   | 11.92                                | 18.55                                |
| Rates and taxes                             | 10.25                                | 12.60                                |
| Freight and forwarding                      | 7.74                                 | 36.44                                |
| Payments to auditors (Refer Note (i) below) | 4.02                                 | 4.50                                 |
| Loss on fixed assets sold                   | 2.78                                 | 4.36                                 |
| Legal & professional charges                | 32.26                                | 52.60                                |
| Miscellaneous expenses                      | 33.17                                | 58.18                                |
| <b>Total</b>                                | <b>631.12</b>                        | <b>986.46</b>                        |

**Auditors' Remuneration paid/payable for the year**

| Particulars                             | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| Statutory audit fee                     | 2.50                                 | 2.50                                 |
| Limited review and other certifications | 1.52                                 | 1.91                                 |
| Reimbursement                           | -                                    | 0.09                                 |
| <b>Total</b>                            | <b>4.02</b>                          | <b>4.50</b>                          |

**Note 34 : Earnings Per Share**

| Particulars  | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|--|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares outstanding | 33,43,243                            | 33,43,243                            |
| Profit after tax available for shareholders          | (29.72)                              | (2,921.78)                           |
| Basic & diluted earning per share                    | (0.89)                               | (87.39)                              |
| Face value per share                                 | 10.00                                | 10.00                                |

**Note 35 : Tax Reconciliation**

Reconciliation of tax expense and accounting profit as per Ind AS 12 :

**Income Tax Expenses**

This note provides an analysis of the Company's income tax expenses that how the tax expenses are affected by non-assessable and non-deductible items:

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                                     | 2020-21        | 2019-20         |
|---|----------------|-----------------|
| <b>Income Tax Expenses</b>                      |                |                 |
| Current tax for the year                        | -              | -               |
| Adjustment for current tax of prior period      | -              | -               |
| <b>Total current tax expenses</b>               | <b>-</b>       | <b>-</b>        |
| <b>Deferred tax</b>                             |                |                 |
| Increase/(Decrease) in deferred tax assets      | -              | (317.06)        |
| (Increase)/Decrease in deferred tax liabilities | (24.36)        | 27.56           |
| <b>Total deferred tax income/(expenses)</b>     | <b>(24.36)</b> | <b>(289.50)</b> |
| <b>Income tax expenses</b>                      | <b>24.36</b>   | <b>289.50</b>   |

Reconciliation of tax expenses and accounting profit multiplied by applicable Indian tax rate:

| Particulars  | 2020-21      | 2019-20       |
|--|--------------|---------------|
| Profit before income taxes                                   | (5.36)       | (2,632.28)    |
| Enacted tax rate in India (%)                                | 26.00%       | 26.00%        |
| Computed expected tax expenses                               | -            | -             |
| Tax effect due to non-taxable income for Indian tax purposes | (29.16)      | -             |
| Tax reversals  | -            | -             |
| Effect of non-deductible expenses                            | 29.16        | -             |
| Others   | 24.36        | 289.50        |
| <b>Income tax expenses</b>                                   | <b>24.36</b> | <b>289.50</b> |

### Note 36 : Disclosure required pursuant to Ind AS-36 “Impairment of Assets”

The Company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the Management is of the opinion that there is no asset for which provision for impairment is required to be made as per Ind AS - 36 Impairment of Assets.

### Note 37 : Operating Segment Information

The Company's operations predominantly consist of construction activities. Hence there are no reportable segments under Ind AS - 108 “Operating Segment” during the year under report, the Company has engaged in its business only within India and not in any other country. The condition prevailing in India being uniform, no separate geographical disclosures are considered necessary.

### Note 38 : Contingent Liabilities

| Particulars   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| Contingent liabilities  |                         |                         |
| a. Guarantees/ letter of credit given by the banks which are counter guaranteed by the company and secured against fixed and current assets | 1,920.14                | 2,378.00                |
| b. Guarantee given to bank on behalf of associate company   | 141.44                  | 256.63                  |
| c. Others where company had gone in to appeals before appropriate authorities:  |                         |                         |
| -Sales Tax  | 20.29                   | 20.29                   |
| -Income Tax   | 74.59                   | 44.83                   |
| d. Corporate guarantee  | 150.05                  | -                       |
| <b>Total</b>  | <b>2,306.51</b>         | <b>2,699.75</b>         |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 39 : Capital Management

The Company's capital management objective is to maximize the total shareholder's return by optimizing cost of capital through flexible capital structure that supports growth. Company ensure optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital requirement on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long term/short term borrowings. The Company monitors the capital structure on the basis of Net debts to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of Company's capital management, equity includes paid up equity share capital and reserves and surplus and Debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

| Particulars                 | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|-----------------------------|-------------------------|-------------------------|
| Equity share capital        | 334.32                  | 334.32                  |
| Other equity                | 985.05                  | 1,017.32                |
| Total equity                | 1,319.37                | 1,351.64                |
| Long term debt              | 532.73                  | 491.36                  |
| <b>Debt to equity ratio</b> | <b>0.40</b>             | <b>0.36</b>             |

## Note 40 : Financial Risk Management Objectives and Policies

The Company's business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Company's management.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

### Interest rate risk

Out of total borrowings, large portion represents short term borrowings and the interest rate primarily based on the Company's credit rating and also the changes in the financial market. Company influence rating and also factors which influence the determination of the interest rates by the banks to minimize the interest continuously monitoring over all factors rate risks.

### Exposure to interest rate risk

| Particulars                                    | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Floating rate borrowings: Working capital loan | 31.75                   | 48.58                   |
| <b>Total</b>                                   | <b>31.75</b>            | <b>48.58</b>            |

### A change of 50 basis points (bp) in interest rates would have following impact on profit before tax

| Particulars                         | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| 50 bp increase - decrease in profit | 1.53                    | 1.89                    |
| 50 bp decrease - increase in profit | (1.53)                  | (1.89)                  |

(All amounts in ₹ Lakhs, unless otherwise stated)

**Credit risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, loans, investments and other financial assets.

At each reporting date, the Company measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Company operates.

Credit risk with respect to trade receivables are limited, due to the Company's customer profiles are well balanced in Government and Non-Government customers and diversified amongst in various geographies. All trade receivables are reviewed and assessed on a quarterly basis.

Credit risk arising from investments and balances with banks is limited because the counter parties are banks and recognised companies with high credit worthiness.

**(i) Provision for expected credit losses:**

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Company operates.

For financial assets, a credit loss is the difference between:

- (a) the contractual cash flows that are due to an entity under the contract; and
- (b) the cash flows that the entity expects to receive.

The Company recognizes in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date in accordance with Ind AS 109.

In determination of the allowances for credit losses on trade receivables, the Company has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

**(ii) The movement of Trade Receivables and Expected Credit Loss are as follows:**

| Particulars                    | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--------------------------------|-------------------------|-------------------------|
| Trade Receivables (Gross)      | 1,456.88                | 3,391.05                |
| Less: Expected Credit Loss     | (9.36)                  | (605.71)                |
| <b>Trade Receivables (Net)</b> | <b>1,447.52</b>         | <b>2,785.34</b>         |

**Financial Instruments and cash deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is Rs. 2,300.83 lakhs as at 31.03.2021 and Rs. 3,358.90 lakhs as at 31.03.2020, which is the carrying amount of cash and cash equivalents, other bank balances, investments (other than equity investments in subsidiary), trade receivables, loans and other financial assets.

**Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

(All amounts in ₹ Lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities to the contractual maturity date:

### As at 31 March, 2021

| Particulars  | Less than 1 year | 1 to 5 years  | More than 5 years | Total           |
|--|------------------|---------------|-------------------|-----------------|
| Interest Bearing Loans and Borrowings (Including Current Maturities) | 41.77            | 506.91        | -                 | 548.68          |
| Trade Payables   | 649.47           | -             | -                 | 649.47          |
| Other Financial Liabilities  | 303.95           | -             | -                 | 303.95          |
| <b>Total</b>   | <b>995.19</b>    | <b>506.91</b> | <b>-</b>          | <b>1,502.10</b> |

### As at 31 March, 2020

| Particulars  | Less than 1 year | 1 to 5 years  | More than 5 years | Total           |
|--|------------------|---------------|-------------------|-----------------|
| Interest Bearing Loans and Borrowings (Including Current Maturities) | 490.11           | 466.56        | -                 | 956.67          |
| Trade Payables   | 1,662.42         | -             | -                 | 1,662.42        |
| Other Financial Liabilities  | 319.41           | -             | -                 | 319.41          |
| <b>Total</b>   | <b>2,471.94</b>  | <b>466.56</b> | <b>-</b>          | <b>2,938.50</b> |

### Note 41 : Corporate Social Responsibility

Gross amount required to be spent by the Company during the Financial Year 2020-21 is Nil as the Company has incurred losses in the previous years.

### Note 42 : Expenditure in Foreign Currency

| Particulars           | For the year ended 31 March, 2021 | For the year ended 31 March, 2020 |
|-----------------------|-----------------------------------|-----------------------------------|
| Other matter (Travel) | -                                 | 1.31                              |

### Note 43 : Employee Benefits

#### a) Defined Contribution Plans

The Company's contribution to the provident Fund and Superannuation funds are charged to the Profit and loss statement.

During the year, the Company has recognised the following amounts in the statement of profit & loss:

| Particulars  | 2020-21 | 2019-20 |
|--|---------|---------|
| Contribution to Provident Fund and Family Pension Fund | 19.54   | 29.58   |
| Contribution to Superannuation Fund                    | 0.73    | 4.17    |

#### b) Post Employment Defined Benefit Plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust fund managed by the Trust, makes payment to vested employees on retirement, death, incapacitation or termination/resignation of employment, of an amount based on the respective employee's eligible salary depending upon the tenure of service. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 2.15, based upon which, the Company makes contribution to the Gratuity fund.

#### c) Other Long Term Employee Benefit Plan

Leave Encashment Scheme [LES] (Unfunded)

The Company provides for accumulated leave benefit for eligible employees payable at the time of retirement/resignation from service as per the policy of the Company, actual number of days outstanding based on last drawn salary. The liabilities with regard to leave encashment scheme are determined by actuarial valuation as set out in Note 2.15.

#### d) Risk Exposure

Aforesaid post employment defined benefit plans typically expose the Company to actuarial risks, most significant of which are discount rate risk, salary escalation risk and demographic risk.

(All amounts in ₹ Lakhs, unless otherwise stated)

## Discount Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability.

## Salary Escalation Risk

The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participant. An increase in the salary of plan participants will increase the plan liabilities.

## Demographic Risk

In the valuation of liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumption thereby causing an increase in the plan liability.

## Details of Defined Benefits plans-as required by Ind AS-19 Employee Benefits

| Particulars   | Gratuity Funded |                |
|---|-----------------|----------------|
|   | 2020-21         | 2019-20        |
| <b>Components of employee expenses</b>  |                 |                |
| Current service cost  | 3.58            | 6.19           |
| Past service cost   | -               | -              |
| Interest cost   | 7.02            | 7.01           |
| Expected return on Plan Assets  | (5.29)          | (6.46)         |
| Total expenses recognised in the Profit & Loss Statement                        | 5.30            | 6.73           |
| Cumulative unrecognised actuarial (gain)/loss opening B/F                       | (11.20)         | (26.38)        |
| Actuarial (gain)/loss-Obligation  | (0.64)          | 9.39           |
| Actuarial (gain)/loss-plan assets   | 4.61            | 5.79           |
| Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses | (7.23)          | (11.20)        |
| <b>Actual Contribution &amp; Benefits payment for the year</b>                  | <b>2020-21</b>  | <b>2019-20</b> |
| Actual Benefits payments  | 42.09           | 22.50          |
| Actual contributions  | 0.06            | 0.05           |
| <b>Net assets/(liability) recognised in the Balance Sheet</b>                   | <b>2020-21</b>  | <b>2019-20</b> |
| Present value of Defined Benefit Obligation                                     | 51.34           | 100.22         |
| Fair value of Plan Assets   | 34.23           | 70.57          |
| Funded Status [Surplus/(Deficit)]   | (17.11)         | (29.66)        |
| Net assets/(liability) recognised in the Balance Sheet                          | (17.11)         | (29.66)        |
| <b>Change in Defined Benefits Obligation during the year</b>                    | <b>2020-21</b>  | <b>2019-20</b> |
| Present value of Defined Benefit Obligation as at the beginning of the year     | 100.23          | 100.14         |
| Current service cost  | 3.58            | 6.19           |
| Interest Cost   | 7.02            | 7.01           |
| Actuarial Losses/(Gains)  | (0.64)          | 9.39           |
| Benefits paid   | 58.82           | 22.50          |
| Present value of Defined Benefits Obligation as at the end of the year          | 51.35           | 100.23         |
| <b>Change in Fair value of the Plan Assets during the year</b>                  | <b>2020-21</b>  | <b>2019-20</b> |
| Plan Asset as at the beginning of the year                                      | 70.57           | 92.35          |
| Actuarial Adjustment  | 5.02            | -              |
| Expected return on the Plan Assets  | 5.29            | 6.46           |
| Actual Company contributions  | 0.06            | 0.05           |
| Actuarial (Losses)/Gains  | (4.61)          | (5.79)         |
| Benefits paid   | (42.09)         | (22.50)        |
| Plan Asset as at the end of the year  | 34.23           | 70.57          |
| <b>Actuarial Assumptions</b>  | <b>2020-21</b>  | <b>2019-20</b> |
| Discount rate   | 7.00%           | 7.00%          |
| Expected return on plan assets  | 7.00%           | 7.00%          |
| Withdrawal rate (per annum) (18 to 30 years)                                    | 5.00%           | 5.00%          |
| Withdrawal rate (per annum) (30 to 44 years)                                    | 3.00%           | 3.00%          |
| Withdrawal rate (per annum) (44 to 60 years)                                    | 2.00%           | 2.00%          |
| Salary escalation rate  | 5.00%           | 5.00%          |

(All amounts in ₹ Lakhs, unless otherwise stated)

The expected rate of return on the plan asset (Gratuity funded) is based on the average long term rate of return expected on investment of funds during estimated term of obligation.

The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors.

| The major categories of plan assets as a percentage of the total plan assets | 2020-21 | 2019-20 |
|--|---------|---------|
| Insurer Managed Funds  | 100%    | 100%    |
| Experience Adjustments   | 2020-21 | 2019-20 |
| Present value of Defined Benefit Obligation as at the end of the year        | 51.35   | 100.23  |
| Fair value of plan assets as at the end of the year                          | 34.23   | 70.57   |
| Funds Status [Surplus/(Deficit)]   | (17.11) | (29.66) |
| Experience adjustment of Plan Liabilities                                    | (17.37) | 5.63    |
| Experience adjustment of Plan Asset  | (4.61)  | (5.79)  |

The liability for leave encashment is accounted for on accrual basis on actuarial valuation at the year end.

Sensitivity Analysis for significant assumptions as on 31.03.2021 are as follows:-

| Assumptions                          | Discount rate  |                | Future Salary  |                | Withdrawal Rate |                |
|--------------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|
|                                      | 1.00% Increase | 1.00% Decrease | 1.00% Increase | 1.00% Decrease | 1.00% Increase  | 1.00% Decrease |
| Impact on defined benefit obligation | (2.71)         | 3.07           | 3.11           | (2.79)         | 0.36            | (0.41)         |

Sensitivity Analysis for significant assumptions as on 31.03.2020 are as follows:-

| Assumptions                          | Discount rate  |                | Future Salary  |                | Withdrawal Rate |                |
|--------------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|
|                                      | 1.00% Increase | 1.00% Decrease | 1.00% Increase | 1.00% Decrease | 1.00% Increase  | 1.00% Decrease |
| Impact on defined benefit obligation | (4.34)         | 4.99           | 5.04           | (4.46)         | 0.66            | (0.74)         |

The Company expects to contribute ₹ 4.32 lakhs (Previous year ₹ 7.06 lakhs) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2021 is 9 years (as at 31.03.2020: 8 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

| Particulars                      | (₹ in lakhs) |
|----------------------------------|--------------|
| 01 April, 2021 to 31 March, 2022 | 13.52        |
| 01 April, 2022 to 31 March, 2023 | 6.74         |
| 01 April, 2023 to 31 March, 2024 | 1.56         |
| 01 April, 2024 to 31 March, 2025 | 1.89         |
| 01 April, 2025 to 31 March, 2026 | 5.03         |
| 01 April, 2026 onwards           | 22.60        |

#### Note 44 : Related Party Disclosures

Pursuant to Ind AS-24 "Related Party Disclosures", following parties are to be treated as related parties:

**(a) Associate Companies:**

Xlerate Driveline India Limited (XDIL)

**(b) Entities over which key managerial personnel is able to exercise significant influence:**

Bharat Gears Limited (BGL)

Vibrant Reality Infra Private Limited (VRIPL)

Ultra Consultants Private Limited (UCPL)

(All amounts in ₹ Lakhs, unless otherwise stated)

Cliplok Simpak (India) Private Limited (CSIPL)  
Samreet Investment & Management Consultancy Private Limited (SIMCPL)  
Gulab Merchandise Private Limited (GMPL)

**(c) Key managerial personnel:**

Mr. Surinder Paul Kanwar - Chairman & Managing Director  
Mr. Sachit Kanwar - Executive Director - Operations  
Mr. Sameer Kanwar - Non - Executive Director  
Dr. Sanjeev Kumar - Non - Executive Independent Director  
Mr. Pradeep Kumar Mittal - Non - Executive Independent Director  
Mrs. Seethalakshmi Venkataraman - Non - Executive Independent Director  
Mr. Rajiv Chandra Rastogi - Non - Executive Independent Director  
Mr. Naresh Kumar Verma - Non - Executive Director

**(d) KMP's Relative:**

Mr. Praveen Kumar Mittal - Brother of Mr. Pradeep Kumar Mittal

**Details of transactions with the related parties**

| Particulars  | Where control exists |               | Entities over which key managerial personnel is able to exercise significant influence |               | Key managerial personnel |               | KMP's Relative |               |
|--|----------------------|---------------|--|---------------|--------------------------|---------------|----------------|---------------|
|  | 2020-21              | 2019-20       | 2020-21  | 2019-20       | 2020-21                  | 2019-20       | 2020-21        | 2019-20       |
| <b>Transaction during the year</b>                                   |                      |               |  |               |                          |               |                |               |
| <b>Reimbursement of expenses (net)</b>                               |                      |               |  |               |                          |               |                |               |
| XDIL   | 2.75                 | 0.93          | -  | -             | -                        | -             | -              | -             |
| <b>Rent expense</b>  |                      |               |  |               |                          |               |                |               |
| BGL  | -                    | -             | 4.32   | 7.16          | -                        | -             | -              | -             |
| XDIL   | 0.44                 | -             | -  | -             | -                        | -             | -              | -             |
| VRIPL  | -                    | -             | 2.40   | 4.80          | -                        | -             | -              | -             |
| <b>Electricity expense</b>   |                      |               |  |               |                          |               |                |               |
| VRIPL  | -                    | -             | 0.47   | 2.11          | -                        | -             | -              | -             |
| <b>Interest expense</b>  |                      |               |  |               |                          |               |                |               |
| UCPL   | -                    | -             | 3.00   | 0.76          | -                        | -             | -              | -             |
| CSIPL  | -                    | -             | 2.00   | 0.18          | -                        | -             | -              | -             |
| VRIPL  | -                    | -             | 2.00   | 0.76          | -                        | -             | -              | -             |
| <b>Loan taken</b>  |                      |               |  |               |                          |               |                |               |
| Mr. Naresh Kumar Verma   | -                    | -             | -  | -             | 250.00                   | -             | -              | -             |
| XDIL   | -                    | 25.00         | -  | -             | -                        | -             | -              | -             |
| UCPL   | -                    | -             | -  | 30.00         | -                        | -             | -              | -             |
| CSIPL  | -                    | -             | -  | 20.00         | -                        | -             | -              | -             |
| VRIPL  | -                    | -             | 1.00   | 20.00         | -                        | -             | -              | -             |
| <b>Loan repaid</b>   |                      |               |  |               |                          |               |                |               |
| XDIL   | -                    | 25.00         | -  | -             | -                        | -             | -              | -             |
| <b>Managerial remuneration</b>                                       |                      |               |  |               |                          |               |                |               |
| Mr. Surinder Paul Kanwar   | -                    | -             | -  | -             | *                        | *             | -              | -             |
| Mr. Sachit Kanwar**  | -                    | -             | -  | -             | 15.35                    | 48.15         | -              | -             |
| <b>Director's sitting fees</b>                                       |                      |               |  |               |                          |               |                |               |
| Mr. Sameer Kanwar  | -                    | -             | -  | -             | 0.50                     | -             | -              | -             |
| Dr. Sanjeev Kumar  | -                    | -             | -  | -             | 1.05                     | 0.45          | -              | -             |
| Mr. Rajiv Chandra Rastogi  | -                    | -             | -  | -             | 1.05                     | 1.10          | -              | -             |
| Mr. Pradeep Kumar Mittal   | -                    | -             | -  | -             | 0.75                     | 0.60          | -              | -             |
| Mr. Naresh Kumar Verma   | -                    | -             | -  | -             | 0.50                     | 0.10          | -              | -             |
| Mrs. Seethalakshmi Venkataraman                                      | -                    | -             | -  | -             | 0.90                     | 0.60          | -              | -             |
| <b>Fees for Professional services</b>                                |                      |               |  |               |                          |               |                |               |
| Mr. Praveen Kumar Mittal   | -                    | -             | -  | -             | -                        | -             | 0.50           | 1.80          |
| <b>Balances at the end of the year</b>                               | 31 March 2021        | 31 March 2020 | 31 March 2021  | 31 March 2020 | 31 March 2021            | 31 March 2020 | 31 March 2021  | 31 March 2020 |
| <b>Corporate Guarantee given to bank for credit limit sanctioned</b> |                      |               |  |               |                          |               |                |               |
| XDIL   | 405.00               | 405.00        | -  | -             | -                        | -             | -              | -             |
| <b>Balance payable/receivable</b>                                    |                      |               |  |               |                          |               |                |               |
| Mr. Sameer Kanwar  | -                    | -             | -  | -             | 0.37                     | -             | -              | -             |
| Dr. Sanjeev Kumar  | -                    | -             | -  | -             | 0.74                     | 0.18          | -              | -             |

# RAUNAQ EPC INTERNATIONAL LIMITED

(All amounts in ₹ Lakhs, unless otherwise stated)

|   |      |      |          |          |          |          |      |      |
|---|------|------|----------|----------|----------|----------|------|------|
| Mr. Rajiv Chandra Rastogi                                 | -    | -    | -        | -        | 0.74     | 0.62     | -    | -    |
| Mr. Pradeep Kumar Mittal                                  | -    | -    | -        | -        | 0.42     | 0.50     | -    | -    |
| Mr. Naresh Kumar Verma                                    | -    | -    | -        | -        | 250.37   | 0.09     | -    | -    |
| Mrs. Seethalakshmi Venkataraman                           | -    | -    | -        | -        | 0.65     | 0.36     | -    | -    |
| Mr. Praveen Kumar Mittal                                  | -    | -    | -        | -        | -        | -        | 0.46 | 0.95 |
| XDIL  | 9.40 | 6.13 | -        | -        | -        | -        | -    | -    |
| UCPL  | -    | -    | 33.46    | 30.00    | -        | -        | -    | -    |
| CSIPL   | -    | -    | 22.01    | 20.00    | -        | -        | -    | -    |
| BGL   | -    | -    | 24.24    | 19.47    | -        | -        | -    | -    |
| VRIPL   | -    | -    | 40.53    | 31.66    | -        | -        | -    | -    |
| <b>Guarantee given for credit limits taken by Company</b> |      |      |          |          |          |          |      |      |
| VRIPL   | -    | -    | 1,419.14 | 1,877.00 | -        | -        | -    | -    |
| Mr. Surinder Paul Kanwar                                  | -    | -    | -        | -        | 1,920.14 | 2,545.12 | -    | -    |

\* Token remuneration of ₹ 12 (Rupees Twelve) paid to Chairman & Managing Director.

\*\* w.e.f 28 September, 2020 resigned as Joint Managing Director and w.e.f 01 October, 2020 Mr. Sachit Kanwar appointed as Executive Director - Operations and token remuneration of ₹ 6 (Rupees Six) paid.

## Note 45 : Financial Instruments

| Particulars                        | Notes | 31 March, 2021 |          |                 | 31 March, 2020 |          |                 |
|------------------------------------|-------|----------------|----------|-----------------|----------------|----------|-----------------|
|                                    |       | FVTPL          | FVTOCI   | Amortized Cost  | FVTPL          | FVTOCI   | Amortized Cost  |
| <b>Financial Assets</b>            |       |                |          |                 |                |          |                 |
| Investment                         |       |                |          |                 |                |          |                 |
| Equity Shares (Quoted)             | 5     | 172.70         | -        | -               | 60.54          | -        | -               |
| Equity Shares (Unquoted)           | 5     | 178.88         | -        | -               | 722.90         | -        | -               |
| Loans and Advances                 | 6,14  | -              | -        | 19.14           | -              | -        | 22.84           |
| Trade Receivables                  | 7,11  | -              | -        | 1,447.52        | -              | -        | 2,785.34        |
| Cash and Bank Balances             | 12,13 | -              | -        | 445.74          | -              | -        | 266.74          |
| Other Financial Assets             | 8,15  | -              | -        | 36.85           | -              | -        | 223.45          |
| <b>Total Financial Assets</b>      |       | <b>351.58</b>  | <b>-</b> | <b>1,949.25</b> | <b>783.44</b>  | <b>-</b> | <b>3,298.37</b> |
| <b>Financial Liabilities</b>       |       |                |          |                 |                |          |                 |
| Borrowings                         | 20,22 | -              | -        | 522.85          | -              | -        | 931.86          |
| Trade Payables                     | 23    | -              | -        | 649.47          | -              | -        | 1,662.42        |
| Other Financial Liability          | 24    | -              | -        | 329.77          | -              | -        | 344.22          |
| <b>Total Financial liabilities</b> |       | <b>-</b>       | <b>-</b> | <b>1,502.09</b> | <b>-</b>       | <b>-</b> | <b>2,938.50</b> |

## Fair Value Hierarchy

The Company uses following method of hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### i) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2021

| Particulars             | Notes | Level 1 | Level 2 | Level 3 | Total  |
|-------------------------|-------|---------|---------|---------|--------|
| <b>Financial assets</b> |       |         |         |         |        |
| Investment in:          |       |         |         |         |        |
| Equity Instruments      | 5     | 172.70  | -       | 178.88  | 351.58 |

### ii) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2020

| Particulars             | Notes | Level 1 | Level 2 | Level 3 | Total  |
|-------------------------|-------|---------|---------|---------|--------|
| <b>Financial assets</b> |       |         |         |         |        |
| Investment in:          |       |         |         |         |        |
| Equity Instruments      | 5     | 60.54   | -       | 722.90  | 783.44 |

During the year ended 31.03.2021, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is a transaction/balance under level 3.

## Note 46: Impact of COVID-19 Pandemic

The Company has incurred losses during the current year amounting to ₹ 32.28 Lakhs, primarily owing to the lower volumes due to continuing slowdown in the EPC industry, ECL provision and decrease in fair value of investments. The Company has a positive net worth of ₹ 1319.37 Lakhs and a net current asset position of ₹ 166.71 Lakhs. The Company's operation have also been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption in Erection & Supply activity due to nationwide lockdown.

The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of Plant & Machinery, Inventory, Receivables and other financial assets, by relying on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at 31 March, 2021.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

## Note 47 : New Accounting Pronouncements

### a) Amendment to Ind AS 103 'Business Combinations' – change in definition of Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. The amendments also introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This amendment does not have material impact on the Company.

### b) Amendment to Ind AS 107 and Ind AS 109 - interest rate benchmark reforms

The amendments provide temporary exception from applying specific hedge accounting requirement and allows continuation of hedge accounting when a hedging relationship is directly affected by interest rate benchmark reform only. The amendment also provides for additional disclosure for hedging relationship that is subject to this exception. The Company has floating rate debt linked to LIBOR which has been designated as cash flow hedges. However there is no interest rate benchmark reform happened which affect the hedge relationship. This amendment does not have material impact on the Company.

### c) Amendment to Ind AS 116 'Leases' - COVID-19 related rent concessions

The amendment provides a practical expedient which permits a lease not to assess whether a COVID-19 related rent concession is a lease modification. The Company had not applied the practical expedient. This amendment does not have material impact on the Company.

### d) Amendment to Ind AS 1 and Ind AS 8 – definition of 'material'

The amendment is not intend to change the underlying 'materiality' concept rather it provides broader guidance and make it easy to understand the meaning of 'material'. This amendment does not have material impact on the Company.

### e) Amendment to Ind AS 10 and Ind AS 37 – material non adjusting event

The amendment requires an entity to disclose the nature and estimate of financial effect of a material non-adjusting event after the reporting period. Ind AS 37 specifically requires such disclosure of a non- adjusting material restructuring plan. This amendment does not have material impact on the Company.

**Note 48: Previous year's figures are reclassified, where necessary, to conform to the current year's classification.**

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

Surinder Paul Kanwar  
Chairman and Managing Director  
(DIN: 00033524)

Sachit Kanwar  
Executive Director-Operations  
(DIN: 02132124)

Sameer Kanwar (DIN: 00033622)  
Dr. Sanjeev Kumar (DIN: 00364416)  
Seethalakshmi Venkataraman (DIN: 07156898)  
Rajiv Chandra Rastogi (DIN: 00035460)  
Naresh Kumar Verma (DIN: 07087356)  
Directors

Sanjay Nath  
Partner  
Membership No. 082700

Rajan Malhotra  
Chief Executive Officer  
(PAN: AAEPM3206C)

Kailash Chandra Yadav  
Chief Financial Officer  
(PAN: AAAPY0255B)

Rashmi Aswal  
Company Secretary  
(PAN: AMEPR6639L)

Date: 22 June, 2021

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF RAUNAQ EPC INTERNATIONAL LIMITED

### Report on the audit of the Consolidated Financial Statements

We have audited the consolidated financial statements of Raunaq EPC International Limited ("the Holding Company") and its Associate (the Holding Company and its Associate together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2021, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of changes in equity and the Consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2021, and its Consolidated profit, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of Matter

We draw your attention to Note 46 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S. No. | Key Audit Matter  | Our response   |
|--------|---|--|
| 1.     | <p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>The application of the accounting standard involves certain key judgements relating to satisfaction of performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p> | <p>Our audit approach consisted review of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to revenue recognition process.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to satisfaction of performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>Selected a sample of continuing and new contracts and performed the following procedures:                             <ul style="list-style-type: none"> <li>Read, analysed and identified the timing of satisfaction of performance obligations in these contracts.</li> <li>Compared these performance obligations with that identified and recorded by the Company.</li> <li>Considered the terms of the contracts to determine the transaction price used to compute revenue.</li> <li>Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, and historical trend of collections and disputes.</li> <li>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul> |

### **Information Other than the Financial Statements and Auditors' Report thereon**

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

The other information is expected to be made available to us after the date of this auditors' report. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements of one associate, whose share of profit is Rs. 34.89 lakhs for the year ended on 31 March, 2021 as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

#### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of written representations received from the directors of the Parent Company as on 31 March, 2021 and taken on record by the Board of Directors of the Parent Company and the report of the statutory auditor of its associate, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 38 to the Consolidated financial statements;

ii. The Group did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its Associate.

**For B R Maheswari & Co LLP**

Chartered Accountants  
Firm's Registration No. 001035N/N500050



**Sanjay Nath**  
Partner

Membership No.082700

Place: New Delhi  
Date: 22 June, 2021

UDIN: 21082700AAABBV1582

## Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

### Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Raunaq EPC International Limited ("the Parent Company") and its Associate as of 31 March, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance

regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Parent Company and its Associate, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, is based on the corresponding report of the auditor of such Company incorporated in India.

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050



Sanjay Nath

Partner

Membership No.082700

Place: New Delhi

Date: 22 June, 2021

UDIN: 21082700AAABBV1582

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars  | Note No. | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|----------|-------------------------|-------------------------|
| <b>ASSETS</b>  |          |                         |                         |
| <b>Non-Current Assets</b>  |          |                         |                         |
| Property, Plant and Equipment  | 3        | 366.26                  | 1,817.55                |
| Capital Work in Progress   | 3        | -                       | 6.62                    |
| Intangible Assets  | 4        | -                       | 6.38                    |
| Financial Assets   |          |                         |                         |
| a. Investments   | 5        | 386.47                  | 60.54                   |
| b. Loans And Advances  | 6        | 1.03                    | 20.40                   |
| c. Trade Receivables   | 7        | 976.46                  | 227.63                  |
| d. Other Financial Assets  | 8        | 30.73                   | 213.50                  |
| Deferred Tax Assets (Net)  | 9        | -                       | 180.26                  |
| <b>Total Non-Current Assets</b>  |          | <b>1,760.95</b>         | <b>2,532.88</b>         |
| <b>Current Assets</b>  |          |                         |                         |
| Inventories  | 10       | 87.10                   | 516.87                  |
| Financial Assets   |          |                         |                         |
| a. Trade Receivables   | 11       | 471.07                  | 3,627.90                |
| b. Cash And Cash Equivalents   | 12       | 90.29                   | 35.65                   |
| c. Bank Balances other than (b) above  | 13       | 355.45                  | 267.09                  |
| d. Loans and Advances  | 14       | 18.11                   | 44.17                   |
| e. Other Financial Assets  | 15       | 6.12                    | 9.95                    |
| Current Tax Assets   | 16       | 86.06                   | 137.39                  |
| Other Current Assets   | 17       | 381.29                  | 468.34                  |
| <b>Total Current Assets</b>  |          | <b>1,495.49</b>         | <b>5,107.36</b>         |
| <b>Total Assets</b>  |          | <b>3,256.44</b>         | <b>7,640.24</b>         |
| <b>EQUITY AND LIABILITIES</b>  |          |                         |                         |
| <b>Equity</b>  |          |                         |                         |
| Equity Share Capital   | 18       | 334.32                  | 334.32                  |
| Other Equity   | 19       | 1,019.94                | 1,171.37                |
| <b>Total Equity</b>  |          | <b>1,354.26</b>         | <b>1,505.69</b>         |
| <b>Liabilities</b>   |          |                         |                         |
| <b>Non-Current Liabilities</b>   |          |                         |                         |
| Financial Liabilities  |          |                         |                         |
| a. Borrowings  | 20       | 506.91                  | 1,277.60                |
| Provisions   | 21       | 17.12                   | 64.27                   |
| Deferred Tax Liability   | 9        | 49.36                   | -                       |
| <b>Total Non-Current Liabilities</b>   |          | <b>573.39</b>           | <b>1,341.87</b>         |
| <b>Current Liabilities</b>   |          |                         |                         |
| Financial Liabilities  |          |                         |                         |
| a. Borrowings  | 22       | 15.94                   | 814.78                  |
| b. Trade Payables  | 23       | -                       | 83.04                   |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises              |          | -                       | 83.04                   |
| Total Outstanding Dues of other than Micro Enterprises and Small Enterprises   |          | 649.47                  | 2,502.68                |
| c. Other Financial Liabilities   | 24       | 329.77                  | 376.62                  |
| Other Current Liabilities  | 25       | 225.95                  | 685.00                  |
| Provisions   | 26       | 107.66                  | 330.56                  |
| <b>Total Current Liabilities</b>   |          | <b>1,328.79</b>         | <b>4,792.68</b>         |
| <b>Total Liabilities</b>   |          | <b>1,902.18</b>         | <b>6,134.55</b>         |
| <b>Total Equity and Liabilities</b>  |          | <b>3,256.44</b>         | <b>7,640.24</b>         |
| Significant accounting policies and notes to consolidated financial statements | 1-48     |                         |                         |

This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

**Sachit Kanwar**  
Executive Director-Operations  
(DIN: 02132124)

**Sameer Kanwar** (DIN: 00033622)  
**Dr. Sanjeev Kumar** (DIN: 00364416)  
**Seethalakshmi Venkataraman** (DIN: 07156898)  
**Rajiv Chandra Rastogi** (DIN: 00035460)  
**Naresh Kumar Verma** (DIN: 07087356)  
Directors

**Sanjay Nath**  
Partner  
Membership No. 082700

**Rajan Malhotra**  
Chief Executive Officer  
(PAN: AAAPM3206C)

**Kailash Chandra Yadav**  
Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

Date: 22 June, 2021

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars   | Note No. | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|----------|--------------------------------------|--------------------------------------|
| Revenue from operations   | 27       | 987.13                               | 6,167.61                             |
| Other income  | 28       | 522.56                               | 386.28                               |
| <b>Total revenue/income</b>   |          | <b>1,509.69</b>                      | <b>6,553.89</b>                      |
| <b>EXPENSES</b>   |          |                                      |                                      |
| a. Cost of material consumed  | 29       | 42.05                                | 3,645.80                             |
| b. Changes in inventories of finished goods & work-in-progress                                | 29A      | 77.54                                | (45.09)                              |
| c. Employee benefits expenses   | 30       | 365.38                               | 912.39                               |
| d. Finance cost   | 31       | 149.21                               | 423.54                               |
| e. Depreciation and amortization expenses   | 32       | 74.67                                | 181.22                               |
| f. Bad debts written off  |          | 165.72                               | 687.05                               |
| g. Allowance for expected credit loss   |          | 9.36                                 | 559.27                               |
| h. Decrease in fair value of investment   |          | -                                    | 399.92                               |
| i. Other expenses   | 33       | 631.12                               | 1,676.28                             |
| <b>Total expenses</b>   |          | <b>1,515.05</b>                      | <b>8,440.38</b>                      |
| <b>Profit/(Loss) before share of Profit/(Loss) of Associate</b>                               |          | <b>(5.36)</b>                        | <b>(1,886.49)</b>                    |
| Share of Profit/(Loss) of Associate   |          | 34.89                                | -                                    |
| <b>Profit/(Loss) before Exceptional Items and Tax</b>   |          | <b>29.53</b>                         | <b>(1,886.49)</b>                    |
| Exceptional Items   |          | -                                    | -                                    |
| <b>Profit/(Loss) before tax</b>   |          | <b>29.53</b>                         | <b>(1,886.49)</b>                    |
| <b>Income tax expenses</b>  |          |                                      |                                      |
| a. Current tax  |          | -                                    | -                                    |
| b. Tax expense related to prior period  |          | -                                    | -                                    |
| <b>Net current tax</b>  | 35       | -                                    | -                                    |
| Deferred tax-charge/(credit)  | 35       | 24.35                                | 291.17                               |
| <b>Total tax expense</b>  |          | <b>24.35</b>                         | <b>291.17</b>                        |
| <b>Profit/(Loss) for the year</b>   |          | <b>5.18</b>                          | <b>(2,177.66)</b>                    |
| <b>Other Comprehensive Income</b>   |          |                                      |                                      |
| <b>a. Items that may be reclassified to profit and loss</b>                                   |          |                                      |                                      |
| Income tax effect   |          | -                                    | -                                    |
| <b>b. Items that will not be reclassified to Profit and Loss</b>                              |          |                                      |                                      |
| Re-measurement gains/(losses) on defined benefit plan   |          | (2.56)                               | 11.33                                |
| Income tax effect   |          | -                                    | (0.04)                               |
|   |          | <b>(2.56)</b>                        | <b>11.29</b>                         |
| <b>Other comprehensive income for the year (net of tax) (a+b)</b>                             |          | <b>(2.56)</b>                        | <b>11.29</b>                         |
| <b>Total comprehensive income for the year</b>  |          | <b>2.62</b>                          | <b>(2,166.37)</b>                    |
| <b>Earning per equity share of [nominal value per share ₹ 10/- (31 March, 2020 : ₹ 10/-)]</b> |          |                                      |                                      |
| Basic earning per share   | 34       | 0.15                                 | (65.14)                              |
| Diluted earning per share   | 34       | 0.15                                 | (65.14)                              |
| Significant accounting policies and notes to consolidated financial statements                | 1-48     |                                      |                                      |

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

**Sachit Kanwar**  
Executive Director-Operations  
(DIN: 02132124)

**Sameer Kanwar** (DIN: 00033622)  
**Dr. Sanjeev Kumar** (DIN: 00364416)  
**Seethalakshmi Venkataraman** (DIN: 07156898)  
**Rajiv Chandra Rastogi** (DIN: 00035460)  
**Naresh Kumar Verma** (DIN: 07087356)  
Directors

**Sanjay Nath**  
Partner  
Membership No. 082700

**Rajan Malhotra**  
Chief Executive Officer  
(PAN: AAEPM3206C)

**Kailash Chandra Yadav**  
Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

Date: 22 June, 2021

## CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars   | For the year ended<br>31 March, 2021 | For the year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                                |                                      |                                      |
| Profit/(Loss) before tax  | (5.36)                               | (1,886.49)                           |
| <b>Adjustments for:</b>   |                                      |                                      |
| Net gain on fair value of financial assets through statement of profit & loss | (112.16)                             | 399.92                               |
| Expected credit loss  | 9.36                                 | 559.27                               |
| Depreciation and amortization   | 74.67                                | 181.22                               |
| Loss on sale of fixed assets  | 2.78                                 | 4.36                                 |
| Interest and other charges  | 149.21                               | 416.67                               |
| Interest income   | (33.37)                              | (41.99)                              |
| Profit on sale of Asset   | (0.03)                               | (0.06)                               |
| <b>Operating profit before working capital changes</b>                        | <b>85.10</b>                         | <b>(367.10)</b>                      |
| <b>Changes in working capital</b>   |                                      |                                      |
| Adjustments for (increase)/decrease in operating assets:                      |                                      |                                      |
| Trade receivables   | 2,077.28                             | (644.00)                             |
| Inventories   | (76.68)                              | (46.82)                              |
| Long term loans & advances  | 1.50                                 | 0.34                                 |
| Short term loans & advances   | 2.20                                 | (30.54)                              |
| Non-current trade receivables   | (748.82)                             | 2,071.40                             |
| Other current financial assets  | 3.83                                 | 4.34                                 |
| Other non current financial assets  | 182.77                               | 39.49                                |
| Other current assets  | 90.38                                | 178.06                               |
| <b>Adjustments for increase/(decrease) in operating liabilities:</b>          |                                      |                                      |
| Trade payables  | (1,012.95)                           | (1,233.35)                           |
| Provisions  | (83.72)                              | 1.09                                 |
| Other current financial liabilities   | -                                    | (5.06)                               |
| Other current liabilities   | (376.64)                             | (26.71)                              |
| <b>Cash generated from operations</b>   | <b>144.25</b>                        | <b>(58.85)</b>                       |
| Direct Taxes paid (net)   | -                                    | (1.41)                               |
| <b>Net cash from/(used) in operating activities</b>                           | <b>144.25</b>                        | <b>(60.26)</b>                       |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                                |                                      |                                      |
| Purchase of fixed assets  | (0.47)                               | (58.15)                              |
| Sale of fixed assets/Investment   | 560.76                               | 9.04                                 |
| Interest received   | 33.37                                | 41.99                                |
| Investment in deposits  | (124.82)                             | 359.92                               |
| <b>Net cash from/(used) in investment activities</b>                          | <b>468.84</b>                        | <b>352.80</b>                        |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                                |                                      |                                      |
| Proceeds from long term borrowings  | 54.61                                | 231.16                               |
| Proceeds/(repayments) from short term borrowings                              | (449.36)                             | (199.05)                             |
| (Repayment) of long term borrowings   | (13.25)                              | (22.91)                              |
| Interest and other charges paid   | (149.21)                             | (416.67)                             |
| Dividend including dividend distribution tax paid                             | (1.71)                               | (1.34)                               |
| <b>Net cash from/(used) in financing activities</b>                           | <b>(558.92)</b>                      | <b>(408.81)</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                   | <b>54.17</b>                         | <b>(116.28)</b>                      |
| <b>Opening balance of cash and cash equivalents</b>                           | <b>42.71</b>                         | <b>160.23</b>                        |
| <b>Closing balance of cash and cash equivalents</b>                           | <b>96.88</b>                         | <b>43.95</b>                         |

## CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2021.... CONTD.

### Reconciliation of cash and cash equivalents as per the cash flow statements

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| (a) Cash and cash equivalents as per above comprise of the following: |                         |                         |
| Cash on hand  | 0.42                    | 1.29                    |
| Balance with scheduled banks:   |                         |                         |
| in Current accounts   | 96.46                   | 42.66                   |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>96.88</b>            | <b>43.95</b>            |

Changes in liabilities arising from financing activities, including changes arising from cash flows and non cash changes as per IND AS 7 - statement of cash flows are shown below

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Opening Balance of Borrowings at beginning of the year               | 956.67                  | 1,651.95                |
| Net Addition in Lease Liability during the year                      | -                       | 456.04                  |
| Net Cash Flow from/(Used in) Financing Activities *                  | (408.00)                | 10.44                   |
| Closing Balance of Borrowings and Lease Liability at end of the year | 548.67                  | 2,118.43                |

\* Excluding proceeds from issuance of equity shares, securities premium, finance costs, dividend and dividend distribution tax.

(b) The above Cash flow statement is prepared as per "Indirect method" specified in Ind AS 7 "Statement of Cash Flows".

This is the Consolidated Statement of Cash flow referred to in our report of even date.

For and on behalf of the Board of Directors

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

**Sachit Kanwar**  
Executive Director-Operations  
(DIN: 02132124)

**Sameer Kanwar** (DIN: 00033622)  
**Dr. Sanjeev Kumar** (DIN: 00364416)  
**Seethalakshmi Venkataraman** (DIN: 07156898)  
**Rajiv Chandra Rastogi** (DIN: 00035460)  
**Naresh Kumar Verma** (DIN: 07087356)  
Directors

**Sanjay Nath**  
Partner  
Membership No. 082700

**Rajan Malhotra**  
Chief Executive Officer  
(PAN: AAEPM3206C)

**Kailash Chandra Yadav**  
Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

Date: 22 June, 2021

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                    | Notes | Amount |
|--------------------------------|-------|--------|
| As at 31 March, 2020           | 18    | 334.32 |
| Change in equity share capital |       | -      |
| As at 31 March, 2021           | 18    | 334.32 |

### B. Other Equity

| Particulars  | Notes     | Reserves and Surplus |                            |                 |                   | Other Comprehensive Income | Total Other Equity |
|--|-----------|----------------------|----------------------------|-----------------|-------------------|----------------------------|--------------------|
|  |           | Capital Reserve      | Securities Premium Reserve | General Reserve | Retained Earnings |                            |                    |
| Balance at 01 April, 2019                                    |           | 0.67                 | 162.43                     | 1,525.27        | 1,609.70          | 39.67                      | 3,337.74           |
| Profit for the year  |           | -                    | -                          | -               | (2,177.66)        | -                          | (2,177.66)         |
| Re-measurement gains/(losses) on defined benefit plan        |           | -                    | -                          | -               | -                 | 11.29                      | 11.29              |
| <b>Total comprehensive income</b>                            | <b>19</b> | <b>0.67</b>          | <b>162.43</b>              | <b>1,525.27</b> | <b>(567.96)</b>   | <b>50.96</b>               | <b>1,171.37</b>    |
| <b>Transactions with owners in their capacity as owners:</b> |           |                      |                            |                 |                   |                            |                    |
| Remeasurement of defined benefit plans (net of tax)          |           | -                    | -                          | -               | -                 | -                          | -                  |
| <b>Balance at 31 March, 2020</b>                             | <b>19</b> | <b>0.67</b>          | <b>162.43</b>              | <b>1,525.27</b> | <b>(567.96)</b>   | <b>50.96</b>               | <b>1,171.37</b>    |
| Balance at 01 April, 2020                                    |           | 0.67                 | 162.43                     | 1,525.27        | (723.96)          | 52.91                      | 1,017.32           |
| Profit for the year  |           | -                    | -                          | -               | 5.18              | -                          | 5.17               |
| Re-measurement gains/(losses) on defined benefit plan        |           | -                    | -                          | -               | -                 | (2.56)                     | (2.56)             |
| <b>Total comprehensive income</b>                            | <b>19</b> | <b>0.67</b>          | <b>162.43</b>              | <b>1,525.27</b> | <b>(718.78)</b>   | <b>50.35</b>               | <b>1,019.94</b>    |
| <b>Transactions with owners in their capacity as owners:</b> |           |                      |                            |                 |                   |                            |                    |
| Remeasurement of defined benefit plans (net of tax)          |           | -                    | -                          | -               | -                 | -                          | -                  |
| <b>Balance at 31 March, 2021</b>                             | <b>19</b> | <b>0.67</b>          | <b>162.43</b>              | <b>1,525.27</b> | <b>(718.78)</b>   | <b>50.35</b>               | <b>1,019.94</b>    |

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For and on behalf of the Board of Directors

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

**Sachit Kanwar**  
Executive Director-Operations  
(DIN: 02132124)

**Sameer Kanwar** (DIN: 00033622)  
**Dr. Sanjeev Kumar** (DIN: 00364416)  
**Seethalakshmi Venkataraman** (DIN: 07156898)  
**Rajiv Chandra Rastogi** (DIN: 00035460)  
**Naresh Kumar Verma** (DIN: 07087356)  
Directors

**Sanjay Nath**  
Partner  
Membership No. 082700  
Date: 22 June, 2021

**Rajan Malhotra**  
Chief Executive Officer  
(PAN: AAEPM3206C)

**Kailash Chandra Yadav**  
Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| Note       | Particulars   |
|------------|---|
| <b>1.</b>  | <b>CORPORATE OVERVIEW</b>   |
|            | <p>Raunaq EPC International Limited ('the Company') is engaged in Engineering Contracting Business, established in 1965 and primarily in the service of core infrastructural and industrial sectors in India, namely Power, Chemical, Hydro-carbon, Metal and Automobile sectors and manufacturing of Automobile components through its Associate. The Company is a Limited Company and has its Registered Office in Haryana, India. Its shares are listed on the BSE Limited. The Company, its Associate collectively referred to as the "Group" here under.</p> <p>These consolidated financial statements are approved and adopted by the Board of Directors of the Parent Company in their meeting held on 22 June, 2021.</p> |
| <b>2.</b>  | <b>SIGNIFICANT ACCOUNTING POLICIES</b>  |
|            | <p>This Note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.</p>   |
| <b>2.1</b> | <b>BASIS OF PREPARATION OF FINANCIAL STATEMENTS</b>   |
| a.         | STATEMENT OF COMPLIANCE   |
|            | <p>The consolidated financial statements of the Group have been prepared in compliance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.</p>  |
| b.         | These consolidated financial statements have been prepared on a historical cost basis except for the following:-  |
|            | <ul style="list-style-type: none"> <li>• Certain Financial Assets and liabilities measured at fair value.</li> <li>• Defined benefit plans - Plan assets measured at fair value</li> </ul>  |
| c.         | Loss of Control   |
|            | <p>When the Group loses control over a subsidiary, it de-recognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the statement of Profit and loss. The remaining interest in the former subsidiary continue to be measured at cost under "Investment in Associate".</p>  |
| d.         | Equity Accounted Investees:   |
|            | <p>An associate is an entity over which the Group has significant influence. Significant Influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.</p> <p>The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.</p>  |
| <b>2.2</b> | <b>FUNCTIONAL AND PRESENTATION CURRENCY</b>   |
|            | <p>These consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of each Group's entities and all amount are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.</p>  |
| <b>2.3</b> | <b>USE OF ESTIMATES</b>   |
|            | <p>The preparation of consolidated financial statements in accordance with Ind AS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported account of assets, liabilities, income and expenses. Actual results may differ from these estimates.</p> <p>Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialized.</p>  |

| Note | Particulars |
|------|-------------|
|------|-------------|

## 2.4 REVENUE RECOGNITION

### a. REVENUE FROM CONSTRUCTION CONTRACT

In case of Parent Company, contract revenue is recognized under the fixed price contract. Contract Revenue is recognized in the year in which the services are rendered. In fixed price contract, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual work done approved by the customer.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed the total contract revenue.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured and received from customer.

### b. REVENUE FROM SALE OF GOODS

Revenue from sale of goods and rendering of services including export benefits thereon are recognised at the point in time when control of the goods or services are transferred to the customer, generally on delivery of goods or rendering of services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any.

The Company provides normal warranty provisions for manufacturing defects on all its product sold, in line with industry practice. The Company does not provide any extended warranty or maintenance contracts to its customers.

### c. OTHERS ITEMS OF REVENUE

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate method.

Dividend income is recognised when the right to receive the payment is established.

Other items like extra items claim, insurance claims, any receipts on account of pending income tax, sales tax, GST and excise duty assessments, where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.

## 2.5 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are carried at cost net of tax/duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The items of property, plant and equipment which are not yet ready for use are disclosed as Capital work-in- progress and are carried at historical cost.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

Gains and losses on disposal or retirement of assets are determined by comparing proceeds with carrying amount. These are recognised in the Statement of Profit and Loss.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful life prescribed in Schedule II to the Act, which are also supported.

| Note | Particulars  |
|------|--|
|      | <p>The residual values are not more than 5% of the original cost of the asset.</p> <p>The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at end of each financial year and any changes there-in are considered as change in estimate and accounted prospectively.</p>  |
|      | <p><b>2.6 INTANGIBLE ASSETS (OTHER THAN GOODWILL)</b></p> <p>Intangible assets (Computer Software) are stated at cost less accumulated amortization and impaired loss, if any. Computer Software for internal use which is primarily acquired is capitalized. Subsequently, costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes licenses fees, cost of implementation, system integration services etc. where applicable.</p> <p>The Group amortises intangible assets (Computer Software) with a finite useful life using the straight line method over a period of (3/5 years) in Holding and (6 years) in Associate.</p>   |
|      | <p><b>2.7 IMPAIRMENT OF ASSETS</b></p> <p>The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Group estimates the asset recoverable amount. An asset's recoverable amount is the higher of an asset or Cash-generating unit (CGU) fair value less cost of disposal and its fair value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.</p> <p>In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. Impaired losses are recognised in statement of profit and loss.</p> |
|      | <p><b>2.8 INVENTORIES</b></p> <p>Raw material, stores, work-in-progress and traded goods are stated at the lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost of inventories comprises all cost of purchase and other cost incurred in bringing them to their present location and condition. The cost, in general, is determined under First in First Out (FIFO) Method in Parent Company and under weighted average method in Associate Company.</p> <p>Contract cost incurred related to future activity of the contract are recognised as an asset provided it is probable that they will be recovered during the contract price. Such cost represent the amount due from customer and are often classified as contract work-in-progress.</p>  |
|      | <p><b>2.9 FOREIGN CURRENCY TRANSACTIONS</b></p> <p>Transactions in foreign currencies are initially recorded by the Group at rates prevailing on the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in Profit and Loss. Difference arising on settlement of monetary items are also recognised in profit or loss.</p> <p>Non-monetary items that are carried in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the transaction.</p>   |
|      | <p><b>2.10 EARNINGS PER SHARE</b></p> <p>Basic earning per share is calculated by dividing net profit or loss for the period attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earning per share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Parent Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.</p>  |
|      | <p><b>2.11 BORROWING COSTS</b></p> <p>Borrowing cost specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use is capitalized as part of the cost of the asset. All other borrowing costs are charged to revenue in the period in which it is incurred. Borrowing costs consists of interest and</p>  |

| Note | Particulars |
|------|-------------|
|------|-------------|

other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

Finance costs will normally include:

- i) interest expense calculated using the effective interest rate method as described in Ind AS 109.
- ii) the unwinding of the effect of discounting provisions.

## 2.12 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability is not considered. However, a disclosure for contingent liabilities is made when there is a possible obligation arising from past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

## 2.13 DIVIDEND

Dividend on equity shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Board of Directors.

## 2.14 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

## 2.15 EMPLOYEE BENEFITS

- a. Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related service are rendered.
- b. Compensated absence is accounted for using the project unit credit method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- c. Contribution payable by the Group to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are defined contribution plans. The contributions are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The Group does not have any further obligation in this respect, beyond such contribution.
- d. In Parent Company, certain employees are participated in a defined contribution plan of superannuation. The Parent Company has no further obligation to plan beyond its monthly contribution which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India. There is no such scheme in the Associate Company.
- e. The cost of providing gratuity, a defined benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Parent Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by trust. The corpus of which is invested with the Life Insurance Corporation of India. Gratuity is unfunded in case of Associate Company.

| Note | Particulars |
|------|-------------|
|------|-------------|

## 2.16 LEASES

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

## 2.17 INCOME TAXES

Income tax expenses comprises current and deferred income tax. Income tax expenses are recognised in the Statement of Profit and Loss except that it relates to items recognised directly in equity, in those case it is recognised in 'Other Comprehensive Income'. Current Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balances sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of associate where it is expected that earnings of the associate will not be distributed in foreseeable future. The Group off sets current tax assets and Current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously. The income tax provision of the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

## 2.18 FINANCIAL INSTRUMENTS

A financial instrument is any contract that give rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### a. Financial Assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

#### Subsequent measurement

Financial assets are subsequently measured at amortized cost or fair value through profit or loss depending on its business model for managing those financial assets and the asset's contractual cash flow characteristics.

#### Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another entity.

#### Impairment of Financial Assets

The Parent Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. If credit risk has not increased significantly 12 months ECL is used to provide the impairment loss. If credit risk has increased significantly lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

In Associate Company, an impairment analysis is performed at each reporting date on an individual basis for each financial asset.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

| Note      | Particulars  |
|-----------|--|
|           | ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expenses in the statement of profit & loss.   |
| <b>b.</b> | <b>Financial Liabilities</b>   |
|           | <u>Initial recognition and measurement</u>   |
|           | Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings or payable.   |
|           | All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.  |
|           | The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.  |
|           | <u>Subsequent measurement</u>  |
|           | The measurement of financial liabilities depends on their classification described below:  |
|           | <b>Financial liabilities at fair value through profit and loss</b>   |
|           | Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. All change in the fair value of such liability are recognised in the statement of profit and loss. |
|           | <b>Loan and borrowings</b>   |
|           | After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.                                 |
|           | <b>Derecognition</b>   |
|           | A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.   |

## 2.19 SEGMENT REPORTING

Operating systems are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Group and make strategic decision. Refer note 37 for segment information presented.

## 2.20 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions which affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosure of contingent asset and liabilities as at the balance sheet date.

The areas involving critical estimates or judgement are:

### i. Critical estimates

- a. Measurement of defined benefit obligations - Note 43
- b. Estimated useful life of intangible assets, property, plant and equipment - Note 2.5 and 2.6
- c. Estimated fair value of financial instruments - Note 45
- d. Recognition of revenue - Note 2.4
- e. Provision for expected credit losses - Note 40

### ii. Significant Judgements

- a. Designating financial asset/liability fair value through profit or loss so as to reduce/eliminate accounting mismatch.
- b. Probability of an outflow of resources to settle an obligation resulting in recognition of provision.

The estimates, judgement and assumptions used in the financial statements are based upon Management's evaluation of relevant facts and circumstances and as at the date of financial statements. Accounting estimates could differ from period to period and accordingly appropriate changes in estimates are made as the management becomes aware of the changes. Actual results could differ from the estimates.

**Note 3 : Property, Plant & Equipment**

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                             | Land          | Plant and Machinery | Tools & Dies  | Tractor  | Office Equipment | Furniture and Fixtures | Electricals Fittings | Electric Installation | Vehicles      | Computers    | Lease Hold Improvements | ROU (Lease Hold Buildings) | Total           | Capital work in progress |
|---|---------------|---------------------|---------------|----------|------------------|------------------------|----------------------|-----------------------|---------------|--------------|-------------------------|----------------------------|-----------------|--------------------------|
| <b>As at 31 March, 2020</b>             |               |                     |               |          |                  |                        |                      |                       |               |              |                         |                            |                 |                          |
| <b>Gross carrying amount</b>            |               |                     |               |          |                  |                        |                      |                       |               |              |                         |                            |                 |                          |
| Opening gross carrying amount           | 534.34        | 790.40              | 166.36        | 0.08     | 5.70             | 71.92                  | 2.42                 | 14.79                 | 200.74        | 27.58        | 8.23                    | -                          | 1,822.56        | 38.18                    |
| Addition                                | -             | 60.71               | 15.72         | -        | 2.21             | 3.93                   | -                    | -                     | -             | 2.84         | 2.61                    | 456.04                     | 544.06          | 11.71                    |
| Disposals/transfers                     | -             | 21.08               | -             | 0.08     | 2.47             | 11.18                  | -                    | -                     | 3.65          | 11.78        | -                       | -                          | 50.24           | 43.27                    |
| <b>Closing gross carrying amount</b>    | <b>534.34</b> | <b>830.03</b>       | <b>182.08</b> | <b>-</b> | <b>5.44</b>      | <b>64.67</b>           | <b>2.42</b>          | <b>14.79</b>          | <b>197.09</b> | <b>18.64</b> | <b>10.84</b>            | <b>456.04</b>              | <b>2,316.38</b> | <b>6.62</b>              |
| <b>Accumulated depreciation</b>         |               |                     |               |          |                  |                        |                      |                       |               |              |                         |                            |                 |                          |
| Opening accumulated depreciation        | -             | 168.01              | 97.56         | -        | 2.51             | 20.83                  | 1.72                 | 5.76                  | 55.42         | 16.85        | 0.31                    | -                          | 368.97          | -                        |
| Depreciation charged during the year    | -             | 72.34               | 21.70         | -        | 1.12             | 8.63                   | -                    | 1.93                  | 25.79         | 2.92         | 2.02                    | 30.92                      | 167.37          | -                        |
| Disposals/transfers                     | -             | 12.54               | -             | -        | 2.30             | 9.71                   | -                    | -                     | 3.33          | 9.63         | -                       | -                          | 37.51           | -                        |
| <b>Closing accumulated depreciation</b> | <b>-</b>      | <b>227.81</b>       | <b>119.26</b> | <b>-</b> | <b>1.33</b>      | <b>19.75</b>           | <b>1.72</b>          | <b>7.69</b>           | <b>77.88</b>  | <b>10.14</b> | <b>2.33</b>             | <b>30.92</b>               | <b>498.83</b>   | <b>-</b>                 |
| <b>Net carrying amount</b>              | <b>534.34</b> | <b>602.22</b>       | <b>62.82</b>  | <b>-</b> | <b>4.11</b>      | <b>44.92</b>           | <b>0.70</b>          | <b>7.10</b>           | <b>119.21</b> | <b>8.50</b>  | <b>8.51</b>             | <b>425.12</b>              | <b>1,817.55</b> | <b>6.62</b>              |
| <b>As at 31 March, 2021</b>             |               |                     |               |          |                  |                        |                      |                       |               |              |                         |                            |                 |                          |
| <b>Gross carrying amount</b>            |               |                     |               |          |                  |                        |                      |                       |               |              |                         |                            |                 |                          |
| Opening gross carrying amount           | -             | 422.33              | -             | -        | 0.42             | 14.92                  | 0.47                 | -                     | 197.12        | 9.89         | -                       | -                          | 645.15          | -                        |
| Addition                                | -             | 0.29                | -             | -        | 0.18             | -                      | -                    | -                     | -             | -            | -                       | -                          | 0.47            | -                        |
| Disposals/transfers                     | -             | 18.92               | -             | -        | -                | 12.10                  | -                    | -                     | -             | -            | -                       | -                          | 31.02           | -                        |
| <b>Closing gross carrying amount</b>    | <b>-</b>      | <b>403.70</b>       | <b>-</b>      | <b>-</b> | <b>0.60</b>      | <b>2.82</b>            | <b>0.47</b>          | <b>-</b>              | <b>197.12</b> | <b>9.89</b>  | <b>-</b>                | <b>-</b>                   | <b>614.60</b>   | <b>-</b>                 |
| <b>Accumulated depreciation</b>         |               |                     |               |          |                  |                        |                      |                       |               |              |                         |                            |                 |                          |
| Opening accumulated depreciation        | -             | 110.04              | -             | -        | (0.58)           | (3.14)                 | 0.10                 | -                     | 77.89         | 4.83         | -                       | -                          | 189.14          | -                        |
| Depreciation charged during the year    | -             | 42.05               | -             | -        | 0.15             | 1.82                   | -                    | -                     | 25.55         | 1.12         | -                       | -                          | 70.69           | -                        |
| Disposals/transfers                     | -             | 11.49               | -             | -        | -                | -                      | -                    | -                     | -             | -            | -                       | -                          | 11.49           | -                        |
| <b>Closing accumulated depreciation</b> | <b>-</b>      | <b>140.60</b>       | <b>-</b>      | <b>-</b> | <b>(0.43)</b>    | <b>(1.32)</b>          | <b>0.10</b>          | <b>-</b>              | <b>103.44</b> | <b>5.95</b>  | <b>-</b>                | <b>-</b>                   | <b>248.34</b>   | <b>-</b>                 |
| <b>Net carrying amount</b>              | <b>-</b>      | <b>263.10</b>       | <b>-</b>      | <b>-</b> | <b>1.03</b>      | <b>4.14</b>            | <b>0.37</b>          | <b>-</b>              | <b>93.68</b>  | <b>3.94</b>  | <b>-</b>                | <b>-</b>                   | <b>366.26</b>   | <b>-</b>                 |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 4 : Intangible Assets

| Particulars                             | Software     | Total        |
|---|--------------|--------------|
| <b>As at 31 March, 2020</b>             |              |              |
| <b>Gross carrying amount</b>            |              |              |
| Opening gross carrying amount           | 53.19        | 53.19        |
| Addition                                | 1.70         | 1.70         |
| Disposals/transfers                     | 12.51        | 12.51        |
| <b>Closing gross carrying amount</b>    | <b>42.38</b> | <b>42.38</b> |
| <b>Accumulated Depreciation</b>         |              |              |
| Opening accumulated depreciation        | 34.01        | 34.01        |
| Depreciation charged during the year    | 13.87        | 13.87        |
| Disposals/transfers                     | 11.88        | 11.88        |
| <b>Closing accumulated depreciation</b> | <b>36.00</b> | <b>36.00</b> |
| <b>Net carrying amount</b>              | <b>6.38</b>  | <b>6.38</b>  |
| <b>As at 31 March, 2021</b>             |              |              |
| <b>Gross carrying amount</b>            |              |              |
| Opening gross carrying amount           | 33.23        | 33.23        |
| Addition                                | -            | -            |
| Disposals/transfers                     | -            | -            |
| <b>Closing gross carrying amount</b>    | <b>33.23</b> | <b>33.23</b> |
| <b>Accumulated depreciation</b>         |              |              |
| Opening accumulated depreciation        | 29.25        | 29.25        |
| Depreciation charged during the year    | 3.98         | 3.98         |
| Disposals/transfers                     | -            | -            |
| <b>Closing accumulated depreciation</b> | <b>33.23</b> | <b>33.23</b> |
| <b>Net carrying amount</b>              | <b>-</b>     | <b>-</b>     |

## Note 5 : Non-current Investments

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| <b>Investments in equity instruments</b>   |                         |                         |
| <b>A. Investment in Associate company (At cost)</b>  |                         |                         |
| <b>Unquoted</b>  |                         |                         |
| 37,06,159 (31 March, 2020 : 1,48,77,038) Equity shares of ₹ 10/- each fully paid up in Xlerate Driveline India Limited                               | 178.88                  | -                       |
| Less:- Allowance for Impairment losses   | -                       | -                       |
| Add:- Amount of profit sharing   | 34.89                   | -                       |
| <b>Sub-total</b>   | <b>213.77</b>           | <b>-</b>                |
| <b>B. Investment in Others</b>   |                         |                         |
| <b>Quoted</b>  |                         |                         |
| At fair value through profit and loss (FVPL) 2,36,097 (31 March, 2020 : 2,36,097) Equity shares of ₹ 10/- each fully paid up in Bharat Gears Limited | 172.70                  | 60.54                   |
| <b>Sub-total</b>   | <b>172.70</b>           | <b>60.54</b>            |
| <b>Total</b>   | <b>386.47</b>           | <b>60.54</b>            |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 6 : Non-current Loans and Advances

| Particulars                | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|----------------------------|-------------------------|-------------------------|
| Capital advances           | -                       | 3.06                    |
| <b>Security deposit</b>    |                         |                         |
| Unsecured, considered good | 1.03                    | 17.34                   |
| <b>Total</b>               | <b>1.03</b>             | <b>20.40</b>            |

## Note 7 : Non-current Trade Receivables

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Trade receivables including retention money                      | 976.46                  | 227.63                  |
| Trade receivables which have significant increase in credit risk | 9.36                    | 17.71                   |
| Trade receivables - credit impaired                              | (9.36)                  | (17.71)                 |
| <b>Total</b>   | <b>976.46</b>           | <b>227.63</b>           |

## Note 8 : Other Non-current Financial Assets

| Particulars   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Long Term Deposits with Banks with Maturity period more than 12 months</b> | 30.73                   | 213.50                  |
| [Refer (a) below]   |                         |                         |
| <b>Total</b>  | <b>30.73</b>            | <b>213.50</b>           |

(a) ₹ 30.73 Lakhs (31 March, 2020 : ₹ 213.50 Lakhs) held as Margin money against bank guarantees.

## Note 9 : Deferred Tax Assets/(Liabilities)

| Particulars   | As at<br>31 March, 2021 | Charged/<br>(credit) during<br>the year | As at<br>31 March, 2020 |
|---|-------------------------|---|-------------------------|
| <b>Deferred tax assets on account of:</b>                     |                         |   |                         |
| a) Provision for doubtful advances                            | -                       | -                                       | -                       |
| b) Employees Benefits   | -                       | -                                       | 6.36                    |
| c) Income Tax losses  | -                       | -                                       | 142.92                  |
| d) Unabsorbed Depreciation                                    | -                       | -                                       | 77.24                   |
| e) Finance lease  | -                       | -                                       | 0.31                    |
| f) Expected credit loss (ECL)                                 | -                       | -                                       | -                       |
| <b>Total deferred tax assets</b>                              | <b>-</b>                | <b>-</b>                                | <b>226.83</b>           |
| <b>MAT credit entitlement</b>                                 |                         |   |                         |
| <b>Deferred tax liabilities on account of:</b>                |                         |   |                         |
| a) Difference between book and tax depreciation               | (20.20)                 | -                                       | (46.57)                 |
| a) Income on Fair valuation of shares of Bharat Gears Limited | (29.16)                 | -                                       | -                       |
| <b>Total deferred tax liabilities</b>                         | <b>(49.36)</b>          | <b>-</b>                                | <b>(46.57)</b>          |
| <b>Total deferred tax (net)</b>                               | <b>(49.36)</b>          | <b>-</b>                                | <b>180.26</b>           |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 10 : Inventories

| Particulars                 | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|-----------------------------|-------------------------|-------------------------|
| Raw Material & Components   | -                       | 291.66                  |
| Stock-in trade-traded goods | 14.92                   | 96.87                   |
| Work-in progress            | 72.18                   | 108.03                  |
| Stores Consumables          | -                       | 20.31                   |
| <b>Total</b>                | <b>87.10</b>            | <b>516.87</b>           |

## Note 11 : Current Trade Receivables

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| <b>Unsecured considered good, unless otherwise stated</b>        |                         |                         |
| Trade receivables  | 471.07                  | 3,627.90                |
| Trade receivables which have significant increase in credit risk | -                       | 588.00                  |
| Trade receivables - credit impaired                              | -                       | (588.00)                |
| <b>Total</b>   | <b>471.07</b>           | <b>3,627.90</b>         |

## Note 12 : Cash and Cash Equivalents

| Particulars               | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---------------------------|-------------------------|-------------------------|
| <b>Balance with Banks</b> |                         |                         |
| In current account        | 89.87                   | 34.36                   |
| Cash on hand              | 0.42                    | 1.29                    |
| <b>Total</b>              | <b>90.29</b>            | <b>35.65</b>            |

## Note 13 : Bank Balances Other than Cash and Cash Equivalents

| Particulars                                     | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Other Balances</b>                           |                         |                         |
| <b>Earmarked balances with banks for:</b>       |                         |                         |
| Unpaid Dividends                                | 6.59                    | 8.30                    |
| <b>Fixed deposits with various authorities</b>  |                         |                         |
| Margin money against bank guarantees and others | 348.86                  | 258.79                  |
| <b>Total</b>                                    | <b>355.45</b>           | <b>267.09</b>           |

## Note 14 : Current Loans and Advances

| Particulars                       | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Unsecured, Considered good</b> |                         |                         |
| Security deposits                 | 6.67                    | 5.20                    |
| Loans and advances to employee    | 11.44                   | 15.10                   |
| Duties & taxes                    | -                       | 22.14                   |
| Duty drawback receivable          | -                       | 0.24                    |
| Export incentive receivable       | -                       | 1.49                    |
| <b>Total</b>                      | <b>18.11</b>            | <b>44.17</b>            |

## Note 15 : Other Current Financial Assets

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Accrued interest on deposits with Banks and others | 6.12                    | 9.95                    |
| <b>Total</b>                                       | <b>6.12</b>             | <b>9.95</b>             |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 16 : Current Tax Assets

| Particulars                           | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| Current Tax Assets (net of provision) | 86.06                   | 137.39                  |
| <b>Total</b>                          | <b>86.06</b>            | <b>137.39</b>           |

## Note 17 : Other Current Assets

| Particulars   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Unsecured considered good</b>                                    |                         |                         |
| Prepaid expenses  | 31.21                   | 47.79                   |
| Advances recoverable in cash or in kind or for value to be received | 163.51                  | 159.31                  |
| Balance with Government authorities                                 | 186.57                  | 255.44                  |
| Others  | -                       | 5.80                    |
| <b>Total</b>  | <b>381.29</b>           | <b>468.34</b>           |

## Note 18 : Equity Share Capital

| Particulars   | As at 31 March, 2021 |               | As at 31 March, 2020 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | No. of Shares        | ₹ in Lakhs    | No. of Shares        | ₹ in Lakhs    |
| <b>Authorized:</b>                                    |                      |               |                      |               |
| Equity shares of ₹ 10 each (31 March, 2020 ₹ 10 each) | 3,50,00,000          | 3500.00       | 3,50,00,000          | 3500.00       |
| <b>Issued, Subscribed and Paid-up:</b>                |                      |               |                      |               |
| Equity shares of ₹ 10 each (31 March, 2020 ₹ 10 each) | 33,43,243            | 334.32        | 33,43,243            | 334.32        |
| <b>Total</b>  |                      | <b>334.32</b> |                      | <b>334.32</b> |

The Parent Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

### Reconciliation of Shares Issued

As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

### Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company

| Particulars                                | As at 31 March, 2021 |       | As at 31 March, 2020 |       |
|--|----------------------|-------|----------------------|-------|
|  | No. of Shares        | %     | No. of Shares        | %     |
| Mr. Surinder Paul Kanwar                   | 14,66,695            | 43.87 | 14,66,695            | 43.87 |
| Strategic Capital Partners Private Limited | 2,45,316             | 7.34  | 2,45,316             | 7.34  |
| Soham Ashok kumar Shah                     | 2,00,972             | 6.01  | 2,35,972             | 7.06  |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 19 : Other Equity

| Particulars                | Refer following items | As at 31 March, 2021 | As at 31 March, 2020 |
|----------------------------|-----------------------|----------------------|----------------------|
| Capital Reserve            | 19(a)                 | 0.67                 | 0.67                 |
| Securities Premium Reserve | 19(b)                 | 162.43               | 162.43               |
| General Reserve            | 19(c)                 | 1,525.27             | 1,525.27             |
| Retained Earnings          | 19(d)                 | (668.43)             | (517.00)             |
| <b>Total</b>               |                       | <b>1,019.94</b>      | <b>1,171.37</b>      |

| Particulars  | As at 31 March, 2021 | As at 31 March, 2020 |
|--|----------------------|----------------------|
| a. Capital Reserve-Balance at the beginning and end of the year            | 0.67                 | 0.67                 |
| b. Securities Premium Reserve-Balance at the beginning and end of the year | 162.43               | 162.43               |
| c. General Reserve   |                      |                      |
| Balance at the beginning of the year                                       | 1,525.27             | 1,525.27             |
| Add: Transferred from Retained Earnings                                    | -                    | -                    |
| Balance at the end of the year   | 1,525.27             | 1,525.27             |
| d. Retained Earnings   |                      |                      |
| Balance at the beginning of the year                                       | (671.05)             | 1,649.37             |
| Profit for the year  | 5.18                 | (2,177.66)           |
| Remeasurement of defined benefit plans (net of tax)                        | (2.56)               | 11.29                |
| Balance at the end of the year   | (668.43)             | (517.00)             |
| <b>Total</b>   | <b>1,019.94</b>      | <b>1,171.37</b>      |

## Nature and purpose of Reserves

**Capital Reserve:** Represents the reserves created as a result of forfeiture of shares of the Parent Company. Capital reserve will be utilized for issue of fully paid bonus shares.

**Securities Premium Reserve:** The amount received from share holders in excess of face value of the equity shares is recognised in Securities Premium Reserve and will be utilized as per provisions of the Companies Act, 2013.

**General Reserve:** The Parent Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. General Reserve will be utilized as per the provisions of the Companies Act, 2013. The same is a free reserve and available for distribution.

## Note 20 : Non-current Borrowings

| Particulars   | As at 31 March, 2021 | As at 31 March, 2020 |
|---|----------------------|----------------------|
| <b>Secured Borrowings</b>   |                      |                      |
| Term loans from Banks   | 18.31                | 31.56                |
| <b>Unsecured Borrowings</b>   |                      |                      |
| 1,25,000, 10% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up | -                    | 125.00               |
| <b>Unsecured Financial Lease Obligations</b>  |                      |                      |
| - Factory Sheds   | -                    | 456.04               |
| <b>Loan from Corporate</b>  |                      |                      |
| - Companies under joint control   | 236.00               | 365.00               |
| - Others  | 252.60               | 300.00               |
| <b>Total</b>  | <b>506.91</b>        | <b>1,277.60</b>      |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Rupee Term Loans from Banks:

- a. Term Loan from bank ₹ 18.31 Lakhs (31 March, 2020 : ₹ 31.56 Lakhs) was secured by way of hypothecation/exclusive charge on assets financed. Repayable along with interest at the rate of 8% p.a. in 60 monthly installments financed by HDFC Bank Ltd.
- b. The preference shares are redeemable at par at any time before twenty years from the date of the allotment (i.e. 21-Sep-2015) in one or more tranches in accordance with Section 55 of the Companies Act, 2013.
- c. Loan from Corporates : Repayable at the end of 5/3 years and interest is charged at the rate of 9% p.a./10% p.a.
- d. Loan from others : Loan is non-interest bearing and Repayable at the end of 5 years or repayable at the end of 5 years and interest is charged at the rate of 9% p.a.

## Note 21 : Non-current Provisions

| Particulars                            | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| <b>Provision for employee benefits</b> |                         |                         |
| Provision for compensated absences     | 13.53                   | 49.06                   |
| Provision for Gratuity                 | 3.59                    | 15.21                   |
| <b>Total</b>                           | <b>17.12</b>            | <b>64.27</b>            |

## Note 22 : Current Borrowings

| Particulars                                    | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| <b>Secured Borrowings</b>                      |                         |                         |
| Working capital loans repayable on demand from |                         |                         |
| Bank - Cash Credit (CC) [refer (i)]            | -                       | 204.48                  |
| NSIC RMA Account [refer (ii)]                  | 15.94                   | 393.17                  |
| Bank - Overdraft Facility (OD)[refer (iii)]    | -                       | 167.13                  |
| <b>Unsecured Borrowings</b>                    |                         |                         |
| a. Loan from director                          | -                       | 50.00                   |
| <b>Total</b>                                   | <b>15.94</b>            | <b>814.78</b>           |

### Working capital loans repayable on demand from banks

- (i) In case of Parent Company, Working capital loan from Banks were secured by first charge by way of hypothecation on entire current assets including stock, stores, trade receivables etc., and also 1<sup>st</sup> charge by way of hypothecation on movable fixed assets (other than those which are exclusively charged in favour of the respective lenders) ranking pari passu amongst the Banks on the point of security. In case of Associate Company, Secured by first charge by way of hypothecation of stocks of raw materials, stock-in-process, finished goods, stores & spares and Book-Debts/receivables and advance to suppliers.
- (ii) Secured against bank guarantee issued by State Bank of India and Punjab National Bank (Previously Oriental Bank of Commerce).

### Overdraft Facility from bank

- (iii) Overdraft facility from bank are secured against the security of the Fixed deposit of Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company.

## Note 23 : Trade Payables

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises                          | -                       | 83.04                   |
| Total outstanding dues of Trade Payable other than micro enterprises and small enterprises | 649.47                  | 2,502.68                |
| <b>Total</b>   | <b>649.47</b>           | <b>2,585.72</b>         |

- (i) There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) except as disclosed above.
- (ii) No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED.

(All amounts in ₹ Lakhs, unless otherwise stated)

- (iii) No amount of interest accrued and remaining unpaid at the end of the year and no amount of further interest remaining due and payable in succeeding years.
- (iv) The above information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

## Note 24 : Other Current Financial Liabilities

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Current maturities of long-term debt (Refer Note 20) | 25.82                   | 26.05                   |
| Unpaid dividend                                      | 6.59                    | 8.30                    |
| Employee dues  | 205.77                  | 216.32                  |
| Creditors for expenses                               | 57.39                   | 71.20                   |
| Interest payable                                     | 34.20                   | 23.59                   |
| Payables on purchase of fixed assets & CWIP          | -                       | 5.90                    |
| Security deposit from customers                      | -                       | 25.26                   |
| <b>Total</b>   | <b>329.77</b>           | <b>376.62</b>           |

## Note 25 : Other Current Liabilities

| Particulars                                   | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| Statutory dues                                | 42.24                   | 79.44                   |
| Contractually reimbursable expenses           | 19.98                   | 23.49                   |
| Contract mobilization advances from customers | 163.73                  | 499.60                  |
| Customer credit balances                      | -                       | 5.48                    |
| Other payables                                | -                       | 76.99                   |
| <b>Total</b>                                  | <b>225.95</b>           | <b>685.00</b>           |

## Note 26 : Current Provisions

| Particulars                                 | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|---|-------------------------|-------------------------|
| <b>Provision for employee benefits</b>      |                         |                         |
| Provision for compensated absences          | 11.59                   | 29.66                   |
| Provision for Gratuity                      | 13.52                   | 29.66                   |
| <b>Provision-others</b>                     |                         |                         |
| Provision for other outstanding liabilities | 82.55                   | 105.04                  |
| Provision for Turnover Discounts            | -                       | 94.65                   |
| Other Provisions                            | -                       | 71.55                   |
| <b>Total</b>                                | <b>107.66</b>           | <b>330.56</b>           |

## Note 27 : Revenue from Operations

| Particulars      | For the Year<br>ended 31 March,<br>2021 | For the Year<br>ended 31 March,<br>2020 |
|------------------|---|---|
| Sales of service | 987.13                                  | 1,853.13                                |
| Sales of product | -                                       | 4,221.53                                |
| Sale of scrap    | -                                       | 79.72                                   |
| Others           | -                                       | 13.23                                   |
| <b>Total</b>     | <b>987.13</b>                           | <b>6,167.61</b>                         |

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 28 : Other Income**

| Particulars   | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| Interest income   | 33.37                                | 41.99                                |
| Net Gain/(loss) on fair value of financial assets through Statement of Profit & loss (FVPL) | 112.16                               | -                                    |
| Amount received from revenue authorities  | -                                    | -                                    |
| Foreign exchange fluctuation gain   | -                                    | 2.12                                 |
| Other non-operating income  | 377.03                               | 342.17                               |
| <b>Total</b>  | <b>522.56</b>                        | <b>386.28</b>                        |

**Note 29 : Cost of Materials Consumed**

| Particulars                    | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Opening stock                  | 10.42                                | 305.71                               |
| Add: Purchases during the year | 46.55                                | 3,642.17                             |
| Less: Closing stock            | 14.92                                | 302.08                               |
| Net material consumed          | 42.05                                | 3,645.80                             |
| <b>Total</b>                   | <b>42.05</b>                         | <b>3,645.80</b>                      |

**Note 29A : Changes in Inventories of Finished Goods & Work-in-Progress**

| Particulars                                       | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| <b>Inventories (at the end of the year)</b>       |                                      |                                      |
| - Finished goods                                  | -                                    | 86.45                                |
| - Work-in-progress                                | (77.54)                              | 108.03                               |
| <b>Sub Total</b>                                  | <b>(77.54)</b>                       | <b>194.48</b>                        |
| <b>Inventories (at the beginning of the year)</b> |                                      |                                      |
| - Finished goods                                  | -                                    | 38.99                                |
| - Work-in-progress                                | -                                    | 110.40                               |
| <b>Sub Total</b>                                  | <b>-</b>                             | <b>149.39</b>                        |
| <b>Net (increase)/decrease</b>                    | <b>77.54</b>                         | <b>(45.09)</b>                       |

**Note 30 : Employee Benefits Expenses**

| Particulars                                   | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| a. Salaries and wages                         | 319.77                               | 808.67                               |
| b. Contributions to provident and other fund  | 21.46                                | 45.80                                |
| c. Gratuity fund contribution (Refer note 43) | 11.42                                | 27.25                                |
| d. Staff welfare expenses                     | 12.73                                | 30.67                                |
| <b>Total</b>                                  | <b>365.38</b>                        | <b>912.39</b>                        |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 31 : Finance Cost

| Particulars                        | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|------------------------------------|--------------------------------------|--------------------------------------|
| <b>a. Interest expenses on:</b>    |                                      |                                      |
| Borrowings                         | 67.22                                | 238.90                               |
| Lease factory sheds                | -                                    | 54.72                                |
| <b>b. Other borrowing costs</b>    | 81.99                                | 129.92                               |
| (Bank and other financial charges) |                                      |                                      |
| <b>Total</b>                       | <b>149.21</b>                        | <b>423.54</b>                        |

## Note 32 : Depreciation and Amortization Expenses

| Particulars                                   | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment | 70.69                                | 167.35                               |
| Amortization of intangible assets             | 3.98                                 | 13.87                                |
| <b>Total</b>                                  | <b>74.67</b>                         | <b>181.22</b>                        |

## Note 33 : Other Expenses

| Particulars                                 | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| Consumption of stores and spare parts       | 85.86                                | 233.58                               |
| Job work expenses                           | -                                    | 160.90                               |
| Erection expenses                           | 365.26                               | 429.03                               |
| Power and fuel                              | 5.19                                 | 43.72                                |
| Hire charges                                | 14.61                                | 54.61                                |
| Marketing service fee                       | -                                    | 154.32                               |
| Other marketing and selling expense         | -                                    | 90.31                                |
| Travelling & conveyance                     | 33.21                                | 66.52                                |
| Rent  | 23.41                                | 27.54                                |
| Car hire expenses                           | -                                    | 7.35                                 |
| Repairs and maintenance                     | 1.44                                 | 22.74                                |
| Insurance                                   | 11.92                                | 20.47                                |
| Rates and taxes                             | 10.25                                | 12.61                                |
| Warranty claim expenses                     | -                                    | 41.55                                |
| Freight and forwarding                      | 7.74                                 | 151.01                               |
| Payments to auditors (Refer Note (i) below) | 4.02                                 | 5.81                                 |
| Loss on fixed assets sold                   | 2.78                                 | 4.36                                 |
| Legal & professional charges                | 32.26                                | 67.07                                |
| Miscellaneous expenses                      | 33.17                                | 82.78                                |
| <b>Total</b>                                | <b>631.12</b>                        | <b>1,676.28</b>                      |

## Auditors' Remuneration paid/payable for the year

| Particulars                             | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---|--------------------------------------|--------------------------------------|
| Statutory audit fee                     | 2.50                                 | 3.10                                 |
| Limited review and other certifications | 1.52                                 | 2.51                                 |
| Reimbursement                           | -                                    | 0.20                                 |
| <b>Total</b>                            | <b>4.02</b>                          | <b>5.81</b>                          |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 34 : Earnings Per Share

| Particulars  | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|--|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares outstanding | 33,43,243                            | 33,43,243                            |
| Profit after tax available for shareholders          | 5.17                                 | (2,177.66)                           |
| Basic & diluted earnings per share                   | 0.15                                 | (65.14)                              |
| Face value per share                                 | 10.00                                | 10.00                                |

## Note 35 : Tax Reconciliation

Reconciliation of tax expense and accounting profit as per Ind AS 12:

### Income Tax Expenses

This note provides an analysis of the Group income tax expenses that how the tax expenses is affected by non-assessable and non-deductible items:

| Particulars                                     | 2020-21        | 2019-20         |
|---|----------------|-----------------|
| <b>Income Tax Expenses</b>                      |                |                 |
| Current tax for the year                        | -              | -               |
| Adjustment for current tax of prior period      | -              | -               |
| <b>Total current tax expenses</b>               | -              | -               |
| <b>Deferred tax</b>                             |                |                 |
| Increase/(Decrease) in deferred tax assets      | -              | (332.69)        |
| (Increase)/Decrease in deferred tax liabilities | (24.36)        | 41.52           |
| <b>Total deferred tax income/(expenses)</b>     | <b>(24.36)</b> | <b>(291.17)</b> |
| <b>Income tax expenses</b>                      | <b>24.36</b>   | <b>291.17</b>   |

Reconciliation of tax expenses and accounting profit multiplied by applicable Indian tax rate:

| Particulars  | 2020-21      | 2019-20       |
|--|--------------|---------------|
| Profit before income taxes                                   | (5.36)       | (1,886.49)    |
| Enacted tax rate in India (%)-In Parent Company              | 26.00%       | 26.00%        |
| Enacted tax rate in India (%)-In Associate Company           | 26.00%       | 26.00%        |
| Computed expected tax expenses                               | -            | -             |
| Tax effect due to non-taxable income for Indian tax purposes | (29.16)      | -             |
| Tax reversals  | -            | -             |
| Effect of non-deductible expenses                            | 29.16        | -             |
| Others   | 24.36        | 291.17        |
| <b>Income tax expenses</b>                                   | <b>24.36</b> | <b>291.17</b> |

## Note 36 : Disclosure required pursuant to Ind AS - 36 "Impairment of Assets"

The Group has carried out impairment test on its fixed assets as on the date of Balance Sheet and the Management is of the opinion that there is no asset for which provision for impairment is required to be made as per Ind AS - 36 "Impairment of Assets".

## Note 37 : Operating Segment Information

- a) As per Ind AS-108 "Operating Segment" the Group has considered business segment as the reportable segment for the purpose of segment reporting disclosure. The business segments are construction activity (civil, mechanical and engineering) and manufacturing of Automobile Components. The above segment have been identified taking into account the organisation structure as well as the differing risks and returns of these segments and so the Segment revenues, expenses, assets and liabilities.

(All amounts in ₹ Lakhs, unless otherwise stated)

## Financial year 2020-21

| Particulars         | Construction Activity | Auto Mobile Components | Total    |
|---------------------|-----------------------|------------------------|----------|
| Segment Revenue     | 987.13                | -                      | 987.13   |
| Segment Expenses    | 1,515.05              | -                      | 1,515.05 |
| Segment Profit      | (527.92)              | -                      | (527.92) |
| Segment Assets      | 3,042.68              | -                      | 3,042.68 |
| Segment Liabilities | 1,892.78              | -                      | 1,892.78 |

## Financial year 2019-20

| Particulars         | Construction Activity | Auto Mobile Components | Total      |
|---------------------|-----------------------|------------------------|------------|
| Segment Revenue     | 1,853.13              | 4,314.48               | 6,167.61   |
| Segment Expenses    | 4,089.48              | 4,350.90               | 8,440.38   |
| Segment Profit      | (2,236.35)            | (36.42)                | (2,272.77) |
| Segment Assets      | 4,387.03              | 3,278.19               | 7,665.22   |
| Segment Liabilities | 3,752.15              | 2,407.37               | 6,159.52   |

- b) The revenue of the Group from the external customers is attributed to (i) the Group's country of domicile i.e. India and (ii) all foreign countries in total from which the Group derives revenue.

| Particulars   | For the Year ended<br>31 March, 2021 | For the Year ended<br>31 March, 2020 |
|---------------|--------------------------------------|--------------------------------------|
| Within India  | 987.13                               | 6,064.16                             |
| Outside India | -                                    | 103.45                               |
| <b>Total</b>  | <b>987.13</b>                        | <b>6,167.61</b>                      |

## Note 38 : Contingent Liabilities

| Particulars  | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Contingent liabilities   |                         |                         |
| a. Guarantees/Letter of Credit given by the banks which are counter guaranteed by the Group and secured against Fixed and Current Assets | 1,920.14                | 2,378.00                |
| b. Others where Group had gone in to appeals before appropriate authorities:   |                         |                         |
| -Sales Tax   | 20.29                   | 20.29                   |
| -Income Tax  | 74.59                   | 44.83                   |
| c. Corporate Guarantee   | 150.05                  | -                       |
| <b>Total</b>   | <b>2,165.07</b>         | <b>2,443.12</b>         |

## Note 39 : Capital Management

The Group Capital management objective is to maximize the total shareholder's return by optimizing cost of capital through flexible capital structure that supports growth. Group ensure optimal credit risk profile to maintain/enhance credit rating.

The Group determines the amount of capital requirement on the basis of annual operating plan and long-term strategic plans. The finding requirements are met through internal accruals and long term/short term borrowings. The Group monitors the capital structure on the basis of Net debts to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of Group capital management, equity includes paid up equity share capital and reserves and surplus and Debt comprises of long term borrowings including current maturities of these borrowings.

(All amounts in ₹ Lakhs, unless otherwise stated)

The following table summarizes long term debt and equity of the Group:

| Particulars                 | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|-----------------------------|-------------------------|-------------------------|
| Equity Share Capital        | 334.32                  | 334.32                  |
| Other Equity                | 1,019.93                | 1,171.37                |
| Total Equity                | 1,354.25                | 1,505.69                |
| Long Term Debt              | 532.73                  | 1,303.65                |
| <b>Debt to Equity Ratio</b> | <b>0.39</b>             | <b>0.87</b>             |

#### Note 40 : Financial Risk Management Objectives and Policies

The Group business activities are exposed to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group financial risk management policy is set by the Group management.

#### Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

#### Interest rate risk:

Out of total borrowings, large portion represents short term borrowings and the interest rate primarily based on the Group credit rating and also the changes in the financial market. Group influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest continuously monitoring over all factors rate risks.

#### Exposure to interest rate risk:

| Particulars                                    | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--|-------------------------|-------------------------|
| Floating rate borrowings: Working capital loan | 31.75                   | 76.89                   |
| <b>Total</b>                                   | <b>31.75</b>            | <b>76.89</b>            |

#### A change of 50 basis points (bp) in interest rates would have following impact on profit before tax

| Particulars                         | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| 50 bp increase - Decrease in profit | 1.53                    | 0.83                    |
| 50 bp decrease - Increase in profit | (1.53)                  | (0.83)                  |

#### Credit risk:

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, loans, investments and other financial assets.

At each reporting date, the Group measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Group operates.

Credit risk with respect to trade receivables are limited, due to the Group customer profiles are well balanced in Government and Non-Government customers and diversified amongst in various geographies. All trade receivables are reviewed and assessed on a quarterly basis.

Credit risk arising from investments and balances with banks is limited because the counter parties are banks and recognised companies with high credit worthiness.

(All amounts in ₹ Lakhs, unless otherwise stated)

**(i) Provision for expected credit losses:**

The Group measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Group operates.

For financial assets, a credit loss is the difference between:

- (a) the contractual cash flows that are due to an entity under the contract; and
- (b) the cash flows that the entity expects to receive.

The Group recognizes in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date in accordance with Ind AS 109.

In determination of the allowances for credit losses on trade receivables, the Group has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

**(ii) The movement of Trade Receivables and Expected Credit Loss are as follows:**

| Particulars                    | As at<br>31 March, 2021 | As at<br>31 March, 2020 |
|--------------------------------|-------------------------|-------------------------|
| Trade Receivables (Gross)      | 1,456.88                | 4,461.24                |
| Less: Expected Credit Loss     | (9.36)                  | (605.71)                |
| <b>Trade Receivables (Net)</b> | <b>1,447.52</b>         | <b>3,855.53</b>         |

**Financial Instruments and Cash Deposits**

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 2,300.83 lakhs as at 31.03.2021 and ₹ 4,506.82 lakhs as at 31.03.2020, which is the carrying amount of cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets.

**Liquidity risk:**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations.

The Group objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides details regarding the contractual maturities of significant financial liabilities to the contractual maturity date:

**As at 31 March, 2021**

| Particulars   | Less than 1<br>year | 1 to 5 years  | More than 5<br>years | Total           |
|---|---------------------|---------------|----------------------|-----------------|
| Interest Bearing Loans and Borrowings<br>(Including Current Maturities) | 41.77               | 506.91        | -                    | 548.68          |
| Trade Payables  | 649.47              | -             | -                    | 649.47          |
| Other Financial Liabilities   | 303.95              | -             | -                    | 303.95          |
| <b>Total</b>  | <b>995.19</b>       | <b>506.91</b> | <b>-</b>             | <b>1,502.10</b> |

(All amounts in ₹ Lakhs, unless otherwise stated)

**As at 31 March, 2020**

| Particulars  | Less than 1 year | 1 to 5 years  | More than 5 years | Total           |
|--|------------------|---------------|-------------------|-----------------|
| Interest Bearing Loans and Borrowings (Including Current Maturities) | 839.57           | 696.56        | 125.00            | 1,661.13        |
| Trade Payables   | 2,585.70         | -             | -                 | 2,585.70        |
| Other Financial Liabilities  | 351.81           | -             | -                 | 351.81          |
| <b>Total</b>   | <b>3,777.08</b>  | <b>696.56</b> | <b>125.00</b>     | <b>4,598.64</b> |

**Note 41 : Corporate Social Responsibility**

Gross amount required to be spent by the Company during the Financial Year 2020-21 is Nil as the Company has incurred losses in the previous years.

**Note 42 : Expenditure in Foreign Currency**

| Particulars           | For the year ended 31 March, 2021 | For the year ended 31 March, 2020 |
|-----------------------|-----------------------------------|-----------------------------------|
| Other matter (Travel) | -                                 | 3.16                              |

**Note 43 : Employee Benefits**

**a) Defined Contribution Plans**

Contribution to the provident Fund and Superannuation funds are charged to the Profit and loss statement.

During the year, the Group has recognised the following amounts in the profit & loss statement:

| Particulars  | 2020-21 | 2019-20 |
|--|---------|---------|
| Contribution to Provident Fund and Family Pension Fund | 19.54   | 38.58   |
| Contribution to Superannuation Fund                    | 0.73    | 4.17    |

**b) Post Employment Defined Benefit Plans**

Parent Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust fund managed by the Trust, makes payment to vested employees on retirement, death, incapacitation or termination/ resignation of employment, of an amount based on the respective employee's eligible salary depending upon the tenure of service. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 2.15, based upon which, the Parent Company makes contribution to the Gratuity fund.

**c) Other Long Term Employee Benefit Plan**

Leave Encashment Scheme [LES] (Unfunded)

The Group provides for accumulated leave benefit for eligible employees payable at the time of retirement/ resignation from service as per the policy of the Group, actual number of days outstanding based on last drawn salary. The liabilities with regard to leave encashment scheme are determined by actuarial valuation as set out in Note 2.15.

**d) Risk Exposure**

Aforesaid post employment defined benefit plans typically expose the Group to actuarial risks, most significant of which are discount rate risk, salary escalation risk and demographic risk.

**Discount Risk**

The Group is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability.

**Salary Escalation Risk**

The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participant. An increase in the salary of plan participants will increase the plan liabilities.

**Demographic Risk**

In the valuation of liability certain demographic (mortality and attrition rates) assumptions are made. The Group is exposed to this risk to the extent of actual experience eventually being worse compared to the assumption thereby causing an increase in the plan liability.

(All amounts in ₹ Lakhs, unless otherwise stated)

## Details of Defined Benefits plans-as required by Ind AS-19 Employee Benefits

| Particulars   | Gratuity Funded |         | Gratuity Unfunded |         |
|---|-----------------|---------|-------------------|---------|
|   | 2020-21         | 2019-20 | 2020-21           | 2019-20 |
| <b>Components of employee expenses</b>  | <b>2020-21</b>  |         | <b>2019-20</b>    |         |
| Current service cost  | 3.58            | -       | 6.19              | 2.39    |
| Past service cost   | -               | -       | -                 | -       |
| Interest cost   | 7.02            | -       | 7.01              | 0.85    |
| Expected return on Plan Assets  | (5.29)          | -       | (6.46)            | -       |
| Total expenses recognised in the Profit & Loss Statement                        | 5.30            | -       | 6.73              | 3.24    |
| Actuarial (gain)/loss-Obligation opening Balance                                | (11.20)         | -       | (26.38)           | 4.60    |
| Actuarial (gain)/loss-Obligation  | (0.64)          | -       | 9.39              | (0.14)  |
| Actuarial (gain)/loss-Plan assets   | 4.61            | -       | 5.79              | -       |
| Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses | (7.23)          | -       | (11.20)           | 4.46    |
| <b>Actual Contribution &amp; Benefits payment for the year</b>                  | <b>2020-21</b>  |         | <b>2019-20</b>    |         |
| Actual Benefits payments  | 42.09           | -       | 22.50             | -       |
| Actual contributions  | 0.06            | -       | 0.05              | -       |
| <b>Net assets/(liability) recognised in the Balance Sheet</b>                   | <b>2020-21</b>  |         | <b>2019-20</b>    |         |
| Present value of Defined Benefit Obligation                                     | 51.34           | -       | 100.22            | 15.21   |
| Fair value of Plan Assets   | 34.23           | -       | 70.57             | -       |
| Funded Status [Surplus/(Deficit)]   | (17.11)         | -       | (29.66)           | 15.21   |
| Net assets/ (liability) recognised in the Balance Sheet                         | (17.11)         | -       | (29.66)           | (15.21) |
| <b>Change in Defined Benefits Obligation during the year</b>                    | <b>2020-21</b>  |         | <b>2019-20</b>    |         |
| Present value of Defined Benefit Obligation as at the beginning of the year     | 100.23          | -       | 100.14            | 12.11   |
| Current service cost  | 3.58            | -       | 6.19              | 2.39    |
| Past service cost   | -               | -       | -                 | -       |
| Interest Cost   | 7.02            | -       | 7.01              | 0.85    |
| Actuarial Losses/(Gains)  | (0.64)          | -       | 9.39              | (0.14)  |
| Benefits paid   | 58.82           | -       | 22.50             | -       |
| Present value of Defined Benefits Obligation as at the end of the year          | 51.35           | -       | 100.22            | 15.21   |
| <b>Change in Fair value of the Plan Assets during the year</b>                  | <b>2020-21</b>  |         | <b>2019-20</b>    |         |
| Plan Asset as at the beginning of the year                                      | 70.57           | -       | 92.35             | -       |
| Actuarial Adjustment  | 5.02            | -       | -                 | -       |
| Expected return on the Plan Assets  | 5.29            | -       | 6.46              | -       |
| Actual Company contributions  | 0.06            | -       | 0.05              | -       |
| Actuarial (Losses)/Gains  | (4.61)          | -       | (5.79)            | -       |
| Benefits paid   | (42.09)         | -       | (22.50)           | -       |
| Plan Asset as at the end of the year  | 34.23           | -       | 70.57             | -       |
| <b>Actuarial Assumptions</b>  | <b>2020-21</b>  |         | <b>2019-20</b>    |         |
| Discount rate   | 7.00%           | -       | 7.00%             | 7.00%   |
| Expected return on plan assets  | 7.00%           | -       | 7.00%             | -       |
| Withdrawal rate (per annum) (18 to 30 years)                                    | 5.00%           | -       | 5.00%             | 5.00%   |
| Withdrawal rate (per annum) (30 to 44 years)                                    | 3.00%           | -       | 3.00%             | 3.00%   |
| Withdrawal rate (per annum) (44 to 60 years)                                    | 2.00%           | -       | 2.00%             | 2.00%   |
| Salary escalation rate  | 5.00%           | -       | 5.00%             | 5.00%   |

The expected rate of return on the plan asset is based on the average long term rate of return expected on investment of funds during estimated term of obligation.

The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors.

# RAUNAQ EPC INTERNATIONAL LIMITED

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars   | Gratuity Funded |         | Gratuity Unfunded |         |
|---|-----------------|---------|-------------------|---------|
|   | 2020-21         | 2019-20 | 2020-21           | 2019-20 |
| <b>The major categories of plan assets as a percentage of the total plan assets</b> |                 |         |                   |         |
| Insurer Managed Funds   | 100%            | -       | 100%              | -       |
| <b>Experience Adjustments</b>   | <b>2020-21</b>  |         | <b>2019-20</b>    |         |
| Present value of Defined Benefit Obligation as at the end of the year               | 51.35           | -       | 100.22            | -       |
| Fair value of plan assets as at the end of the year                                 | 34.23           | -       | 70.57             | -       |
| Funds Status [Surplus/(Deficit)]  | (17.11)         | -       | (29.66)           | -       |
| Experience adjustment of Plan Liabilities   | (17.37)         | -       | 2.31              | -       |
| Experience adjustment of Plan Asset   | (4.61)          | -       | 70.57             | -       |

The liability for leave encashment is accounted for on accrual basis on actuarial valuation at the year end.

Gratuity Funded Sensitivity Analysis for significant assumptions as on 31.03.2021 are as follows:-

| Assumptions                          | Discount rate  |                | Future Salary  |                | Withdrawal Rate |                |
|--------------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|
|                                      | 1.00% Increase | 1.00% Decrease | 1.00% Increase | 1.00% Decrease | 1.00% Increase  | 1.00% Decrease |
| Impact on defined benefit obligation | (2.71)         | 3.07           | 3.11           | (2.79)         | 0.36            | (0.41)         |

Gratuity Funded Sensitivity Analysis for significant assumptions as on 31.03.2020 are as follows:-

| Assumptions                          | Discount rate  |                | Future Salary  |                | Withdrawal Rate |                |
|--------------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|
|                                      | 1.00% Increase | 1.00% Decrease | 1.00% Increase | 1.00% Decrease | 1.00% Increase  | 1.00% Decrease |
| Impact on defined benefit obligation | (4.34)         | 4.99           | 5.04           | (4.46)         | 0.66            | (0.74)         |

Gratuity Unfunded Sensitivity Analysis for significant assumptions as on 31.03.2021 are as follows:-

| Assumptions                          | Discount rate  |                | Future Salary  |                | Withdrawal Rate |                |
|--------------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|
|                                      | 1.00% Increase | 1.00% Decrease | 1.00% Increase | 1.00% Decrease | 1.00% Increase  | 1.00% Decrease |
| Impact on defined benefit obligation | -              | -              | -              | -              | -               | -              |

Gratuity Unfunded Sensitivity Analysis for significant assumptions as on 31.03.2020 are as follows:-

| Assumptions                          | Discount rate  |                | Future Salary  |                | Withdrawal Rate |                |
|--------------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|
|                                      | 1.00% Increase | 1.00% Decrease | 1.00% Increase | 1.00% Decrease | 1.00% Increase  | 1.00% Decrease |
| Impact on defined benefit obligation | (1.36)         | 1.57           | 1.59           | (1.39)         | 0.19            | (0.22)         |

The Associate Company expects to contribute ₹ 4.32 lakhs (Previous year ₹ 7.06 lakhs) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2021 is 9 years (as at 31.03.2020: 8 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

| Particulars                      | Gratuity Funded | Gratuity Unfunded |
|----------------------------------|-----------------|-------------------|
| 01 April, 2021 to 31 March, 2022 | 13.52           | -                 |
| 01 April, 2022 to 31 March, 2023 | 6.74            | -                 |
| 01 April, 2023 to 31 March, 2024 | 1.56            | -                 |
| 01 April, 2024 to 31 March, 2025 | 1.89            | -                 |
| 01 April, 2025 to 31 March, 2026 | 5.03            | -                 |
| 01 April, 2026 onwards           | 22.60           | -                 |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 44 : Related Party Disclosures

Pursuant to Ind AS-24 "Related Party Disclosures", following parties are to be treated as related parties:

### (a) Entities over which key managerial personnel is able to exercise significant influence:

Bharat Gears Limited (BGL)  
 Vibrant Reality Infra Pvt. Ltd. (VRIPL)  
 Ultra Consultants Pvt. Ltd. (UCPL)  
 Cliplok Simpak (India) Pvt. Ltd. (CSIPL)  
 Samreet Investment & Management Consultancy Pvt. Ltd. (SIMCPL)  
 Gulab Merchandise Pvt. Ltd. (GMPL)  
 City Fame Engineering Private Limited (CFEPL)

### (b) Key managerial personnel

Mr. Surinder Paul Kanwar - Chairman & Managing Director  
 Mr. Sachit Kanwar - Executive Director-Operations  
 Mr. Sameer Kanwar - Non-Executive Director  
 Dr. Sanjeev Kumar - Non-Executive Independent Director  
 Mr. Pradeep Kumar Mittal - Non-Executive Independent Director  
 Mr. Rajiv Chandra Rastogi - Non-Executive Independent Director  
 Mr. Naresh Kumar Verma - Non-Executive Director  
 Mrs. Seethalakshmi Venkataraman - Non-Executive Independent Director  
 Mr. Prabhat Chand Kothari - Non-Executive Director  
 Mr. Jagdeep Singh - Non-Executive Director

### (c) KMP's Relative

Mr. Praveen Kumar Mittal - Brother of Mr. Pradeep Kumar Mittal

## Details of transactions with the related parties

| Particulars                        | Entities over which key managerial personnel is able to exercise significant influence |         | Key managerial personnel |         | KMP's Relative |         |
|------------------------------------|--|---------|--------------------------|---------|----------------|---------|
|                                    | 2020-21  | 2019-20 | 2020-21                  | 2019-20 | 2020-21        | 2019-20 |
| <b>Transaction during the year</b> |  |         |                          |         |                |         |
| <b>Rent expense</b>                |  |         |                          |         |                |         |
| BGL                                | 4.32   | 7.85    | -                        | -       | -              | -       |
| VRIPL                              | 2.40   | 4.80    | -                        | -       | -              | -       |
| <b>Electricity Charges paid</b>    |  |         |                          |         |                |         |
| VRIPL                              | 0.47   | 2.11    | -                        | -       | -              | -       |

# RAUNAQ EPC INTERNATIONAL LIMITED

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                           | Entities over which key managerial personnel is able to exercise significant influence |         | Key managerial personnel |         | KMP's Relative |         |
|---------------------------------------|--|---------|--------------------------|---------|----------------|---------|
|                                       | 2020-21  | 2019-20 | 2020-21                  | 2019-20 | 2020-21        | 2019-20 |
| <b>Transaction during the year</b>    |  |         |                          |         |                |         |
| <b>Managerial remuneration</b>        |  |         |                          |         |                |         |
| Mr. Surinder Paul Kanwar              | -  | -       | *                        | *       | -              | -       |
| Mr. Sachit Kanwar**                   | -  | -       | 15.35                    | 78.15   | -              | -       |
| <b>Director's sitting fees</b>        |  |         |                          |         |                |         |
| Mr. Sameer Kanwar                     | -  | -       | 0.50                     | -       | -              | -       |
| Dr. Sanjeev Kumar                     | -  | -       | 1.05                     | 0.45    | -              | -       |
| Mr. Pradeep Kumar Mittal              | -  | -       | 0.75                     | 0.60    | -              | -       |
| Mrs. Seethalakshmi Venkataraman       | -  | -       | 0.90                     | 0.60    | -              | -       |
| Mr. Rajiv Chandra Rastogi             | -  | -       | 1.05                     | 1.10    | -              | -       |
| Mr. Naresh Kumar Verma                | -  | -       | 0.50                     | 0.10    | -              | -       |
| <b>Fees for Professional services</b> |  |         |                          |         |                |         |
| Mr. Praveen Kumar Mittal              | -  | -       | -                        | -       | 0.50           | 1.80    |
| <b>Marketing Service Fee</b>          |  |         |                          |         |                |         |
| BGL                                   | -  | 154.32  | -                        | -       | -              | -       |
| <b>Rent Income</b>                    |  |         |                          |         |                |         |
| BGL                                   | -  | 11.75   | -                        | -       | -              | -       |
| <b>Other selling expenses</b>         |  |         |                          |         |                |         |
| BGL                                   | -  | 10.46   | -                        | -       | -              | -       |
| <b>Interest expense</b>               |  |         |                          |         |                |         |
| UCPL                                  | 3.00   | 1.50    | -                        | -       | -              | -       |
| Mr. Surinder Paul Kanwar              | -  | -       | -                        | 6.02    | -              | -       |
| CSIPL                                 | 2.00   | 5.01    | -                        | -       | -              | -       |
| CFEPL                                 | -  | -       | -                        | -       | -              | -       |
| VR IPL                                | 2.00   | 6.70    | -                        | -       | -              | -       |

| Particulars                   | Entities over which key managerial personnel is able to exercise significant influence |                | Key managerial personnel |                | KMP's Relative |                |
|-------------------------------|--|----------------|--------------------------|----------------|----------------|----------------|
|                               | 31 March, 2021   | 31 March, 2020 | 31 March, 2021           | 31 March, 2020 | 31 March, 2021 | 31 March, 2020 |
| <b>Loan recieved/(repaid)</b> |  |                |                          |                |                |                |
| <b>Unsecured Loan</b>         |  |                |                          |                |                |                |
| Mr. Naresh Kumar Verma        | -  | -              | 250.00                   | -              | -              | -              |
| CSIPL                         | -  | 20.00          | -                        | -              | -              | -              |
| VR IPL                        | 1.00   | 20.00          | -                        | -              | -              | -              |
| CFEPL                         | -  | -              | -                        | -              | -              | -              |
| UCPL                          | -  | 30.00          | -                        | -              | -              | -              |

\* Token remuneration of ₹ 12 (Rupees Twelve) paid to Chairman & Managing Director.

\*\* w.e.f 28 September, 2020 resigned as Joint Managing Director and w.e.f 01 October, 2020, Mr. Sachit Kanwar appointed as Executive Director - Operations and token remuneration of ₹ 6 (Rupees Six) paid.

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars   | Entities over which key managerial personnel is able to exercise significant influence |                       | Key managerial personnel |                       | KMP's Relative        |                       |
|---|--|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|   | 31 March, 2021   | 31 March, 2020        | 31 March, 2021           | 31 March, 2020        | 31 March, 2021        | 31 March, 2020        |
| <b>Guarantee given for credit limits taken by Company</b> |  |                       |                          |                       |                       |                       |
| VR IPL  | 1,419.14   | 1,877.00              | -                        | -                     | -                     | -                     |
| Mr. Surinder Paul Kanwar                                  | -  | -                     | 1,920.14                 | 2,950.12              | -                     | -                     |
| Mr. Sachit Kanwar   | -  | -                     | -                        | 405.00                | -                     | -                     |
| <b>Amount Payable</b>                                     | <b>31 March, 2021</b>  | <b>31 March, 2020</b> | <b>31 March, 2021</b>    | <b>31 March, 2020</b> | <b>31 March, 2021</b> | <b>31 March, 2020</b> |
| Mr. Surinder Paul Kanwar                                  | -  | -                     | -                        | 50.00                 | -                     | -                     |
| Mr. Sachit Kanwar   | -  | -                     | -                        | 0.89                  | -                     | -                     |
| Mr. Sameer Kanwar   | -  | -                     | 0.37                     | -                     | -                     | -                     |
| Dr. Sanjeev Kumar   | -  | -                     | 0.74                     | 0.18                  | -                     | -                     |
| Mr. Rajiv Chandra Rastogi                                 | -  | -                     | 0.74                     | 0.62                  | -                     | -                     |
| Mr. Pradeep Kumar Mittal                                  | -  | -                     | 0.42                     | 0.50                  | -                     | -                     |
| Mr. Naresh Kumar Verma                                    | -  | -                     | 250.37                   | 0.09                  | -                     | -                     |
| Mrs. Seethalakshmi Venkataraman                           | -  | -                     | 0.65                     | 0.36                  | -                     | -                     |
| Mr. Praveen Kumar Mittal                                  | -  | -                     | -                        | -                     | 0.46                  | 0.95                  |
| UCPL  | 33.46  | 45.00                 | -                        | -                     | -                     | -                     |
| BGL   | 24.24  | 95.37                 | -                        | -                     | -                     | -                     |
| CSIPL   | 22.01  | 70.00                 | -                        | -                     | -                     | -                     |
| VR IPL  | 40.53  | 96.66                 | -                        | -                     | -                     | -                     |

## Note 45 : Financial Instruments

| Particulars                        | Notes | 31 March, 2021 |          |                 | 31 March, 2020 |          |                 |
|------------------------------------|-------|----------------|----------|-----------------|----------------|----------|-----------------|
|                                    |       | FVPL           | FVOCI    | Amortized Cost  | FVPL           | FVOCI    | Amortized Cost  |
| <b>Financial Assets</b>            |       |                |          |                 |                |          |                 |
| Investment                         |       |                |          |                 |                |          |                 |
| Equity Shares (Quoted)             | 5     | 172.70         | -        | -               | 60.54          | -        | -               |
| Loans and Advances                 | 6,14  | -              | -        | 19.14           | -              | -        | 46.70           |
| Trade Receivables                  | 7,11  | -              | -        | 1,447.52        | -              | -        | 3,855.53        |
| Cash and Bank Balances             | 12,13 | -              | -        | 445.74          | -              | -        | 302.74          |
| Other Financial Assets             | 8,15  | -              | -        | 36.85           | -              | -        | 223.45          |
| <b>Total Financial Assets</b>      |       | <b>172.70</b>  | <b>-</b> | <b>1,949.25</b> | <b>60.54</b>   | <b>-</b> | <b>4,428.42</b> |
| <b>Financial Liabilities</b>       |       |                |          |                 |                |          |                 |
| Borrowings                         | 20,22 | -              | -        | 522.85          | -              | -        | 1,794.20        |
| Trade Payables                     | 23    | -              | -        | 649.47          | -              | -        | 2,883.85        |
| Other Financial Liabilities        | 24    | -              | -        | 329.77          | -              | -        | 376.62          |
| <b>Total Financial Liabilities</b> |       | <b>-</b>       | <b>-</b> | <b>1,502.09</b> | <b>-</b>       | <b>-</b> | <b>5,054.67</b> |

(All amounts in ₹ Lakhs, unless otherwise stated)

## Fair Value Hierarchy

The Group uses following method of hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).”

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### i) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2021

| Particulars             | Notes | Level 1 |
|-------------------------|-------|---------|
| <b>Financial assets</b> |       |         |
| Investment in:          |       |         |
| Equity Instruments      | 5     | 172.70  |

### ii) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2020

| Particulars             | Notes | Level 1 |
|-------------------------|-------|---------|
| <b>Financial assets</b> |       |         |
| Investment in:          |       |         |
| Equity Instruments      | 5     | 60.54   |

During the year ended 31.03.2021, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

## Note 46: Impact of COVID-19 Pandemic

The Company has incurred losses during the current year amounting to ₹ 32.28 Lakhs, primarily owing to the lower volumes due to continuing slowdown in the EPC industry, ECL provision and decrease in fair value of investments. The Company has a positive net worth of ₹ 1319.37 Lakhs and a net current asset position of ₹ 166.71 Lakhs. The Company’s operations have also been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption in Erection & Supply activity due to nationwide lockdown.

The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of Plant & Machinery, Inventory, Receivables and other financial assets, by relying on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at 31 March, 2021.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

## Note 47 : New Accounting Pronouncements

### a) Amendment to Ind AS 103 ‘Business Combinations’ – change in definition of Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. The amendments also introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This amendment does not have material impact on the Company.

(All amounts in ₹ Lakhs, unless otherwise stated)

**b) Amendment to Ind AS 107 and Ind AS 109 - interest rate benchmark reforms**

The amendments provide temporary exception from applying specific hedge accounting requirement and allows continuation of hedge accounting when a hedging relationship is directly affected by interest rate benchmark reform only. The amendment also provides for additional disclosure for hedging relationship that is subject to this exception. The Company has floating rate debt linked to LIBOR which has been designated as cash flow hedges. However there is no interest rate benchmark reform happened which affect the hedge relationship. This amendment does not have material impact on the Company.

**c) Amendment to Ind AS 116 'Leases' - COVID-19 related rent concessions**

The amendment provides a practical expedient which permits a lease not to assess whether a COVID-19 related rent concession is a lease modification. The Company had not applied the practical expedient. This amendment does not have material impact on the Company.

**d) Amendment to Ind AS 1 and Ind AS 8 – definition of 'material'**

The amendment is not intend to change the underlying 'materiality' concept rather it provides broader guidance and make it easy to understand the meaning of 'material'. This amendment does not have material impact on the Company.

**e) Amendment to Ind AS 10 and Ind AS 37 – material non adjusting event**

The amendment requires an entity to disclose the nature and estimate of financial effect of a material non-adjusting event after the reporting period. Ind AS 37 specifically requires such disclosure of a non-adjusting material restructuring plan. This amendment does not have material impact on the Company.

**Note 48: Previous year's figures are reclassified, where necessary, to conform to the current year's classification.**

For and on behalf of the Board of Directors

**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Surinder Paul Kanwar**  
Chairman and Managing Director  
(DIN: 00033524)

**Sachit Kanwar**  
Executive Director-Operations  
(DIN: 02132124)

**Sameer Kanwar** (DIN: 00033622)  
**Dr. Sanjeev Kumar** (DIN: 00364416)  
**Seethalakshmi Venkataraman** (DIN: 07156898)  
**Rajiv Chandra Rastogi** (DIN: 00035460)  
**Naresh Kumar Verma** (DIN: 07087356)  
Directors

**Sanjay Nath**  
Partner  
Membership No. 082700  
Date: 22 June, 2021

**Rajan Malhotra**  
Chief Executive Officer  
(PAN: AAEPM3206C)

**Kailash Chandra Yadav**  
Chief Financial Officer  
(PAN: AAAPY0255B)

**Rashmi Aswal**  
Company Secretary  
(PAN: AMEPR6639L)

## FORM AOC-I

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

(₹ in Lakhs)

| S.NO. | PARTICULARS                   |                                 |
|-------|-------------------------------|---------------------------------|
| 1.    | NAME OF ASSOCIATE             | XLERATE DRIVELINE INDIA LIMITED |
| 2.    | SHARE CAPITAL                 | 1,487.70                        |
| 3.    | RESERVE & SURPLUS             | (498.84)                        |
| 4.    | TOTAL ASSETS                  | 3,613.61                        |
| 5.    | TOTAL LIABILITIES             | 2,624.75                        |
| 6.    | INVESTMENTS                   | -                               |
| 7.    | NET TURNOVER                  | 5,877.13                        |
| 8.    | PROFIT (LOSS) BEFORE TAXATION | 164.48                          |
| 9.    | PROVISION FOR TAXATION        | 51.67                           |
| 10.   | PROFIT (LOSS) AFTER TAXATION  | 112.81                          |
| 11.   | % OF SHAREHOLDING             | 24.91%                          |



## Form No. SH-13 Nomination Form

Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies  
(Share Capital and Debentures) Rules 2014

To,  
**Raunaq EPC International Limited**  
**20 K.M. Mathura Road, P.O. Box 353**  
**P.O. Amar Nagar, Faridabad-121 003**  
**Haryana**

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

| Nature of securities | Folio No. | No. of securities | Certificate No. | Distinctive Nos. |
|----------------------|-----------|-------------------|-----------------|------------------|
|                      |           |                   |                 |                  |
|                      |           |                   |                 |                  |
|                      |           |                   |                 |                  |
|                      |           |                   |                 |                  |

(2) PARTICULARS OF NOMINEE/S

- Name:
- Date of Birth:
- Father's/Mother's/Spouse's name:
- Occupation:
- Nationality:
- Address:
- E-mail id:
- Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

- Date of birth:
- Date of attaining majority:
- Name of guardian:
- Address of guardian:

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- Name:
- Date of Birth:
- Father's/Mother's/Spouse's name:
- Occupation:
- Nationality:
- Address:
- E-mail id:
- Relationship with the security holder:
- Relationship with the minor nominee:

Name:

Address:

Name of the Security Holder(s)

Signature

Witness with name and address

Signature



## Form No. SH-14 Cancellation or Variation of Nomination

Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014

To,  
**Raunaq EPC International Limited**  
**20 K.M. Mathura Road, P.O. Box 353**  
**P.O. Amar Nagar, Faridabad-121 003**  
**Haryana**

I/We hereby cancel the nomination(s) made by me/us in favor of \_\_\_\_\_  
\_\_\_\_\_ (name and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of \_\_\_\_\_  
as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled /varied)

| Nature of securities | Folio No. | No. of securities | Certificate No. | Distinctive Nos. |
|----------------------|-----------|-------------------|-----------------|------------------|
|                      |           |                   |                 |                  |
|                      |           |                   |                 |                  |
|                      |           |                   |                 |                  |
|                      |           |                   |                 |                  |

(2) (a) PARTICULARS OF THE NEW NOMINEE:

- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:
- vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR

- i. Date of birth:
- ii. Date of attaining majority:
- iii. Name of guardian:
- iv. Address of guardian:

(3) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with the minor nominee:

Signature

Name of the Security Holder(s)

Witness with name and address



## PROFORMA FOR UPDATION OF SHAREHOLDER'S INFORMATION

|              |                              |                              |                      |   |
|--------------|------------------------------|------------------------------|----------------------|---|
| Folio No.    | <input type="text"/>         | No. of Equity Shares         | <input type="text"/> | Specimen Signature<br>(As per application/transfer deed)  |
| Name(s):     |                              |                              |                      |   |
| First Holder | <input type="text"/>         |                              |                      | _____   |
| Occupation   | <input type="text"/>         |                              |                      |   |
| Jt. Holder 1 | <input type="text"/>         |                              |                      | _____   |
| Jt. Holder 2 | <input type="text"/>         |                              |                      | _____   |
| Address      | <input type="text"/>         |                              |                      | (In case of Joint Holding, all the Joint Holders to sign) |
|              | <input type="text"/>         |                              |                      |   |
| Pin Code     | <input type="text"/>         |                              |                      |   |
| E-mail Id    | _____                        |                              |                      |   |
| Cert. Nos.   | <input type="text"/>         |                              |                      |   |
| Dist. Nos.   | FROM<br><input type="text"/> | FROM<br><input type="text"/> |                      |   |
|              | TO<br><input type="text"/>   | TO<br><input type="text"/>   |                      |   |

- NOTES: 1. IN CASE THE SPACE IS NOT SUFFICIENT PLEASE ATTACH A SEPARATE SHEET.  
2. THE ABOVE PROFORMA MAY BE FILLED AND RETURNED EVEN IF THERE IS NO CHANGE IN THE PARTICULARS.











**RAUNAQ EPC INTERNATIONAL LIMITED**

**REGD. OFF.:** 20 K.M., Mathura Road, P. O. Amar Nagar, Faridabad - 121 003 (Haryana) | [www.raunaqinternational.com](http://www.raunaqinternational.com)  
**CIN:** L51909HR1965PLC034315