



RAUNAQ EPC INTERNATIONAL LIMITED



ANNUAL
REPORT 2021-22

INSIDE THIS REPORT

CORPORATE OVERVIEW

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

STATUTORY REPORTS

Management Discussion and Analysis	09
Board's Report	15

FINANCIAL STATEMENTS

Financial Statements	32
----------------------	----

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 publicly, 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 Paul Kanwar Group.
- Group Companies include Bharat Gears Limited, Clip-Lok Simpak (India) Private Limited

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

OPERATIONAL HIGHLIGHTS

REIL - PROJECTS EXECUTION

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2021-22 include:

- Work for fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660 MW for GE Power Systems has been completed and closing activities are now underway.
- Closing activities are underway for the additional ash water re-circulation project at NTPC Ramagundam 2600 MW.
- Work of LP Piping & FOHS at NTPC/BRBCL - Nabinagar has been completed and closing activities have been started.





Chairman's Message

Dear Shareholders,

Greetings to all of you. I hope this message finds you and your loved ones healthy and safe.

The year 2021 was a rebound year for the global economy after the havoc the COVID-19 pandemic played on it during 2020. Notwithstanding the second and third waves seen in some of the major world economies, the economic activity across the globe expanded by 6.1% over 2020 due to therepressed demand, government initiatives to mitigate the economic impact of the pandemic, and increasing vaccination rates. However, the supply chain bottlenecks due to the pandemic-related disruptions and the Russian-Ukrainian war have cast a cloud on the economic recovery. Inflation has become a major cause of concern across the world and most central banks are responding by increasing policy rates and/ or sucking out excess liquidity from the market. These are likely to have a significant impact on the global GDP growth in 2022 and 2023.

Indian economy tracked the global economy during the FY2021-22 period when it once again became the fastest growing major economy in the world with a YOY GDP increase of 8.9%. With the pandemic related restrictions being gradually removed, the reform measures and stimulus support given by the central and state governments, and the growth in consumer demand, the macro environment was supportive of growth across the sectors. The Manufacturing sector recovered from a 0.6% decline in FY2020-21 to a 10.5% leap during FY2021-22. The domestic market was not the only one bubbling with optimism, as the country's overall and merchandise exports touched record highs during the financial year. However, the global factors such as geopolitical tensions, inflation, and tight monetary policies have affected the near-term prospects of Indian economic growth too. The growth projections of FY2022-23 for India have been revised downward by most agencies and with a negative bias due to continuing downside risks. The estimates for FY2022-23 growth range from 7% to 8%.

Due to the lack of banking facilities, the Company was unable to bid for any new jobs during the year. The Company has only executed the current projects, delayed/disrupted due to covid, which has impacted the revenues and financials of the Company. On standalone basis, the Company has registered total revenue of Rs. 1024.28 Lakhs in FY 2021-22 as compare to the total revenue of the Company of Rs. 1509.69 Lakhs in FY 2020-21.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2021-22 include:

- Work for Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3 x 660 MW for GE Power Systems has been completed and closing activities are now underway.
- Closing activities are underway for the additional ash water re-circulation project at NTPC Ramagundam 2600 MW.
- Work of LP Piping & FOHS at NTPC/BRBCL - Nabinagar has been completed and closing activities have been started.

PORTFOLIO EXPANSION

Due to the bottlenecks in reference to the Banking facilities for bidding new projects your Company could not diversify itself into water distribution segment and other EPC projects. The Company during the year has entered into trading activities along with the existing EPC projects in order to sustain the revenues of the Company. Going forward the Company will explore possibilities in the trading business and shall complete the existing EPC projects and utilised the retention funds in growing the trading business of the Company and also tracking EPC projects with the help of JV partners.

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 special focus for infrastructure in rural areas; digitisation across the agriculture value chain; heavy construction machinery for mega infrastructure projects – 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 more on the trading business along with the EPC projects which can be manageable with the available banking facilities.

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



Dr. Sanjeev Kumar
Non-Executive Independent Director



Ms. Preeti Goel
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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Surinder Paul Kanwar, Chairman & Managing Director

Non-Executive Director

Mr. Naresh Kumar Verma

Independent Directors

Dr. Sanjeev Kumar

Mr. Rajiv Chandra Rastogi

Ms. Preeti Goel

AUDIT COMMITTEE

Dr. Sanjeev Kumar

Mr. Rajiv Chandra Rastogi

Ms. Preeti Goel (W.e.f. 19 July, 2022)

Mr. Naresh Kumar Verma

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Naresh Kumar Verma (W.e.f. 12 January, 2022)

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. Naresh Kumar Verma

Mr. Rajiv Chandra Rastogi

SHARE ISSUE COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Rajiv Chandra Rastogi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Surinder Paul Kanwar

Dr. Sanjeev Kumar

Mr. Rajiv Chandra Rastogi

SENIOR MANAGEMENT

Mr. Rajan Malhotra, CEO

Mr. A.D. Jain (Upto 30 June, 2022)

Mr. Nitin Jain (upto 31 January, 2022)

AUDITORS

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

CHIEF FINANCIAL OFFICER

Mr. Kailash Chandra Yadav

COMPANY SECRETARY

Ms. Neha Patwal

(W.e.f. 30 May, 2022)

Ms. Ankita Jain

(Upto 31 March, 2022)

BANKERS

State Bank of India

IndusInd Bank Ltd.

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

Noble Heights, 1st 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

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



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. 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 Swach 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 2021-22.

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

The global economic recovery is facing significant headwinds amid new waves of Covid-19 infections, persistent labour market challenges, lingering supply-chain challenges and rising inflationary pressure. Further, the war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation.

Global growth is projected to slow from an estimated 6.10 percent in 2021 to 3.60 percent in 2022 and 2023. Beyond 2023, global growth is forecast to decline to about 3.30 percent over the medium term.

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	2020	2021	2022P	2023P
World output	-3.30	6.10	3.60	3.60
Advanced Economies	-4.70	5.20	3.30	2.40
Emerging Markets and Developing Economies(EMDEs)	-2.20	6.80	3.80	4.40

Source: IMF World Economic Outlook, April 2022
P = Projections

With the highly transmissible omicron variant of Covid-19 unleashing new waves of infections, the human and economic toll of the pandemic are projected to increase again. Without a coordinated and sustained global approach to contain Covid-19 that includes universal access to vaccines, the pandemic will continue to pose the greatest risk to an inclusive and sustainable recovery of the world economy. According to International Monetary Fund (IMF), estimated slowdown in growth to 3.6 percent in 2022.

Indian Economy

According to Asian Development Bank (ADB), the Indian economy is projected to grow by 7.5 per cent in the current financial year and the growth would accelerate to 8 per cent in 2023-24.

The economic growth in the coming years will be supported by increased public investment in infrastructure and a pickup in private investment, according to the Asian Development Outlook (ADO) 2022.

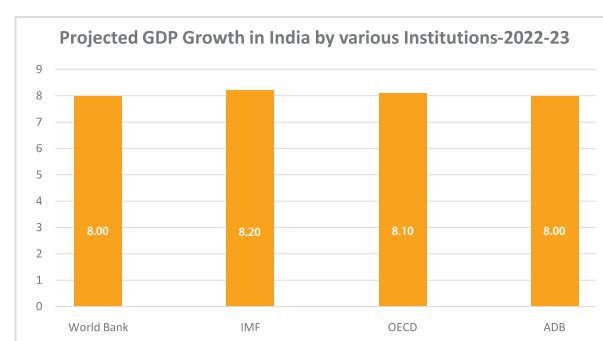
The outlook assumes sustained progress in Covid-19 vaccinations while also that any new variants of the virus would be of limited severity. It also factors in the impact of Russia's invasion of Ukraine, primarily higher global oil and commodity prices that will contribute to rising inflation and a widening of the current account deficit.

India is on the path to a sustained economic recovery, thanks to the vigorous countrywide drive to deliver safe and wide-reaching Covid-19 vaccinations, which helped reduce the severity of the third pandemic wave with minimal disruptions to mobility and economic activity.

Inflation will likely increase to 5.8% in FY2022 amid rising oil prices. While monetary policy will remain accommodative, the central bank may hike policy rates in the later part of the fiscal year due to tightening of the United States federal funds rate and elevated oil prices. The current account deficit is projected to widen to 2.8% of gross domestic product in FY2022 due to the rising oil import bill, and is expected to decline to 1.9% in FY2023 amid an uptick in export growth. Foreign direct investment inflow is expected to moderate amid rising global uncertainty and tightening of global economic and financial conditions.

GDP grew by 20.3 % in Q1 which shows speedy recovery. Growth in the July-September quarter was revised upto 8.4% which explains the fading recovery in the subsequent quarter. GDP fell to 5.4% during October-December 2021 (Q3 FY 2021-22), slower than we had earlier estimated. Growth in Q4 FY22 will benefit from the unlock trade as most states have removed pandemic-related restrictions, but weak rural demand and geopolitical shock due to Russia-Ukraine war may disrupt global growth and supply chains.

Source: <http://www.adb.org/news/indian-economy-grow-7-5-fy2022-8-fy2023>



Source: <https://ambitiousbaba.com/indias-gdp-growth-forecast-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\$ 26.17 billion and US\$ 26.30 billion, respectively, between April 2000 and December 2021.

Investment Scenario

In Union Budget 2022, the government has given a massive push to the infrastructure sector by allocating ₹ 10 Lakh Crore (US\$130.57 Billion) trillion in FY 2022-23. In Budget 2022, the government announced the following:

- Department of IT and Telecom sector has been allocated ₹ 84,586 crore (US\$ 11.05 billion).
- Indian railways received ₹ 1,40,367.13 crore (US\$ 18.34 billion), of which ₹ 1,37,100 crore (US\$ 17.91 billion) is for capital expenditure.
- ₹ 1,99,107.71 crore (US\$ 26.02 billion) has been allocated towards road transport and highway.
- In Budget 2022-23, the government announced the following interventions under Pradhan Mantri Gati Shakti National Plan:
 - In 2022-2023, a plan for expressways will be developed to help people and goods move more quickly.
 - The national highways will be expanded by 25,000 kilometres with a funding outlay of ₹ 20,000 crores (US\$ 2.61 billion).
 - A new Unified Logistics Interface Platform will be introduced to ease data interchange between operators across various modes of transportation, with the goal of applying a just-in-time approach to logistics management and providing operators with real-time data. In the next three years, 100 PM Gati Shakti freight

terminals for multimodal logistics facilities will be built.

- For safety and capacity enhancement, a 2,000 kilometer railway network would be placed under 'Kavach.' Over the following three years, 400 new Vande Bharat trains with improved energy efficiency and passenger comfort would be developed and produced.
- For the construction of metro systems of suitable form and scale, 'Innovative' funding solutions would be promoted. Metro systems and physical infrastructure should be standardised to meet Indian demands.
- Parvatmala, a preferred environmentally friendly alternative to conventional road networks in mountainous locations – also known as the National Ropeways Development Programme – will be implemented through a public-private partnership (PPP).

- The government announced ₹18,998 crore (US\$ 2.61 billion) for metro projects.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.

The Road Ahead

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of ₹ 5,00,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30.

India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

Source: https://www.ibef.org/download/1650534844_Infrastructure-March-2022-min.pdf

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, and 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.

India was ranked fourth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2020. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

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).

India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 395.07 GW, as of January 2022.

As of January 2022, India's installed renewable energy capacity stood at 152.36 GW, representing 38.56% of the overall installed power capacity. Solar energy is estimated to contribute 50.30 GW, followed by 40.1 GW from wind power, 10.17 GW from biomass and 46.51 GW from hydropower.

The renewable energy capacity addition stood at 8.2 GW for the first eight months of FY22 against 3.4 GW for the first eight months of FY21.

For FY21, electricity generation attained from conventional sources was at 1,234.44 BU, comprising 1,032.39 BU of thermal energy; hydro energy (150.30 BU) and nuclear (42.94 BU). Of this, 8.79 BU was imported from Bhutan.

Coal-based power installed capacity in India stood at 203.9 GW in January 2022 and is expected to reach 330-441 GW by 2040.

The peak power demand in the country stood at 203.01 GW in 2021.

Investment Scenario

Total FDI inflow in the power sector reached US\$ 15.84 billion between April 2000 to December 2021, accounting for 2.77% of the total FDI inflow in India.

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

- In March 2022, NTPC announced that it was ready to start partial power generation of 10 GW from a 92 MW floating solar energy plant being set up at NTPC's unit at Kayamkulam in Kerala.
- In March 2022, NTPC announced that it will start commercial operations of 74.88 MW capacity of its 296 MW Fatehgarh solar project in Rajasthan.
- In March 2022, Adani Solar and Smart Power India (SPI), a subsidiary of Rockefeller Foundation, signed a non-financial and non-commercial MoU to promote the usage of solar rooftop panels in rural India.
- In February 2022, Kolkata-based Eminent Electricity Distribution Ltd., a subsidiary of CESC Limited, bid ₹ 871 crore (US\$ 113.24 million) to take over Chandigarh's power supply department, which was approved and the transition will happen by the end of March.
- SJVN Limited is looking to develop 10,000 MW solar power projects inviting an investment of ₹50,000 crore (US\$ 6.56 billion) in the next five years in Rajasthan.
- In November 2021, the NTPC announced that its 80 MW solar power-generation capacity in Jetsar (Rajasthan) has started commercial operations from October 22, 2021. The total capacity of the project is 160 MW.
- In November 2021, SJVN began the second unit work of the 1,320 MW Buxar thermal power plant in Bihar.
- In October 2021, the NTPC was awarded a contract to set up a 325MW solar power project in Madhya Pradesh.
- On September 29, 2021, NTPC Renewable Energy Limited (REL), a 100% subsidiary of NTPC Limited signed its first green term loan agreement with the Bank of India for ₹ 500 crore (US\$ 67.28 million) at a competitive rate and a tenor of 15 years for its 470 MW solar projects in Rajasthan and 200 MW solar projects in Gujarat.
- In September 2021, Adani Group announced an investment of US\$ 20 billion over the next 10 years in renewable energy generation and component manufacturing.
- In July 2021, National Thermal Power Corporation Renewable Energy Limited (NTPC REL), NTPC's fully owned subsidiary, invited a domestic tender to

build India's first green hydrogen fueling station in Leh, Ladakh.

- In July 2021, Bharat Heavy Electricals Limited (BHEL) received a large contract from Nuclear Power Corporation of India Limited (NPCIL) for the supply of 12 steam generators of India's highest rated indigenously-developed 700 MW Pressurized Heavy Water Reactors (PHWR) worth ₹ 1,405 crore (US\$ 189.20 million).
- In July 2021, NTPC announced that it would invest ₹ 2-2.5 crore (US\$ 0.27-0.34 million) over the next 10 years to expand renewable capacity.
- In June 2021, NHPC signed a memorandum of understanding (MoU) with Bihar State Hydro-Electric Power Corporation Limited (BSHPCL) to execute Dagmara HE Project (130.1 MW) in the state.
- In March 2021, Actis LLP, a private equity firm, announced plans to invest US\$ 850 million to build two green energy platforms in India.
 - According to the firm, the first platform will focus on setting up grid-connected solar and wind power parks, while the second platform will tailor to the commercial and industrial segment.
- In January 2021, TOTAL acquired a 20% stake in Adani Green Energy. In addition, as a part of this deal, TOTAL undertook 50% in 2.35 GW portfolio of operating solar assets in Adani Energy Limited. The combined deal amount was worth US\$ 2.5 billion.
- 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.

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.

The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. The government plans to establish renewable energy capacity of 500 GW by 2030.

Key Growth Driver

- Power is one of the key sectors attracting FDI inflow into India.
- From April 2000-December 2021, India recorded FDI inflow worth US\$ 11.21 billion in the non-conventional energy sector. New and renewable energy sector witnessed maximum power generation capacity addition, since 2000.
- Power sector accounted for 2.77% of the total FDI inflow until December 2021.
- Cumulative FDI inflow in the power sector stood at US\$ 15.84 billion between April 2000-December 2021.
- In September 2021, the Government of the United Kingdom announced that it will invest US\$ 1.2 billion through public and private investments in green projects and renewable energy in India to support the latter's target of 450 GW of renewable energy by 2030

Source: ibef.org/industry/power-sector-india

COMPANY REVIEW

Raunaq EPC International Limited (REIL)

Due to lack of Banking facilities, the Company was unable to Bid for any new jobs during the year. The Company has only executed the current projects, delayed/disrupted due to Covid-19 pandemic, which has impacted the revenues and financials of the Company. On standalone basis, the Company has registered total revenue of ₹ 1024.28 Lakhs in FY 2021-22 as compared to the total revenue of the Company of ₹ 1509.69 Lakhs in FY 2020-21, which is 32% down from the previous year.

The Company has not bid for any new tenders during the year.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2021-22 include:

- Work for Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660MW for GE Power Systems has been completed and closing activities are now underway.
- Closing activities are underway for the additional ash water re-circulation project at NTPC Ramagundam 2600 MW.
- Work of LP Piping & FOHS at NTPC/BRBCL - Nabinagar has been completed and closing activities have been started.

Significant Changes in Key Financial Ratios during the Financial Year 2021-22

PARTICULARS	2021-22	2020-21	% Change in Ratios	Remarks
Debtor Turnover Ratio	0.50	0.41	22.52%	The ratio is down because no new order booking in the current year and the operations of the business get affected from Covid-19 Pandemic.
Inventory Turnover Ratio	1.65	3.32	-50.40%	The ratio is down because our ongoing projects are related to erection work.
Current Ratio	1.13	1.13	0.77%	The reason of improvement in comparison to last year is paying out of our liabilities.
Debt Equity Ratio	1.48	1.44	2.62%	The reason of minor change is due to heavy accumulated losses.
Operating Profit Margin	17.03	49.51	-65.61%	The reason of improvement is reduction in Operating expenses and Finance cost.
Net Profit/Loss Margin	-48.86	-3.27	1394.39%	The reason for increase in loss is due to bad debts and loss on sale of fixed assets.

OUTLOOK:

Raunaq EPC International Limited (REIL)

Even with a limited scope in the existing market, the Company is trying to quote with cautious aggression.

Going forward the Company will explore possibilities in the trading business and shall focus on quality and timely execution of projects remains to be completed. Further utilize the retention funds in growing the trading business.

The Company shall be tracking EPC projects and shall try to enter the same with the help of some JV partner so as to achieve a healthy outlook.

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 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 adopts 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 associate Company.

Fraud risk:

REIL 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/crisis risks:

Natural calamities or any global/national crises such as a pandemic, cyclones, major earthquakes, political upheavals, wars, etc. would not only disrupt the Company's operations at various sites.

Mitigation:

The Company's focus in such scenarios is to do everything to first ensure business survival and protection of life and

limbs of its stakeholder community. It would then focus on adopting strategies to revive business fortunes under the new circumstances. Some of the survival strategies that REIL has adopted in the past during such a crisis include deferring capex, liquidity management and cutting costs.

Internal Control Systems and their Adequacy

Every successful Company needs to have certain controls in place for function effectively. Raunaq EPC 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 auditor 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 review 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 automotive 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 rate fluctuations, interest and 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 57th Annual Report of your Company together with the Audited Financial Statements and the Auditors' Report thereon for the Year ended 31 March, 2022.

FINANCIAL RESULTS

The highlights of Financial Results of your Company are as follows:

(₹/Lakhs)

Financial Results		
Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from Operations and Other Income	1024.28	1,509.69
Profit before Finance Cost and Depreciation	(198.17)	218.52
Finance Cost	98.04	149.21
Depreciation	39.63	74.67
Profit Before Tax	(335.84)	(5.36)
Less: Tax Expense	(4.39)	24.36
Profit for the Year	(331.45)	(29.72)
Other Comprehensive Income		
Items that will not be reclassified to Profit and Loss (net of tax)	(0.90)	(2.56)
Total Comprehensive Income for the year	(332.35)	(32.28)

(₹/Lakhs)

Surplus in Statement of Profit and Loss		
	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening balance	(703.32)	(671.05)
Add: Profit for the year	(332.35)	(32.28)
Less:		
Proposed Dividend-Equity	-	-
Tax on distributed profits	-	-
Transferred to General Reserve	-	-
Closing Balance	(1035.67)	(703.33)

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, 2022.

Business Operations

During the year under review, there is a downturn in the total revenue of the Company from ₹ 1,509.69 Lakhs in FY 2020-21 to ₹ 1,024.28 Lakhs in FY 2021-22. 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.

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

Due to lack of banking facilities, the Company was unable to bid for any new jobs during the year. The Company has only executed the current projects, delayed/disrupted due to Covid-19 pandemic, which has impacted the revenues and financials of the Company. On standalone basis, the Company has registered ₹ 1,024.28 Lakhs as compared to

the total revenue of the Company of ₹1,509.69 Lakhs in FY 2021-22.

The Company has not bid for any new tenders during the year.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2021-22 include:

- Work for fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660 MW for GE Power Systems has been completed and closing activities are now underway.
- Closing activities are underway for the additional ash water re-circulation project at NTPC Ramagundam 2600 MW.
- Work of LP Piping & FOHS at NTPC/BRBCL - Nabinagar has been completed and closing activities have been started.

Future Outlook

Even with a limited scope in the existing market, the Company is trying to quote with cautious aggression.

Going forward the Company will explore possibilities in the trading business and shall focus on quality and timely execution of projects remains to be completed. Further utilize the retention funds in growing the trading business.

The Company shall be tracking EPC projects and shall try to enter the same with the help of some JV partner so as to achieve a healthy outlook.

Indian Accounting Standards ("Ind AS")

The financial statements for the year ended 31 March, 2022 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under the provisions of 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, 2022 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 in **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 the 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 under the link: 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 the 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, 2021 approved 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;
- Re-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.

During the period under review, Mr. Pradeep Kumar Mittal and Ms. Seethalakshmi Venkataraman ceased to be Director of the Company with effect from 02 May, 2021 and 07 January, 2022 respectively due to their demise.

Further, Mr. Sachit Kanwar and Mr. Sameer Kanwar ceased to be Director of the Company with effect from 27 September, 2021 and 31 December, 2021 respectively due to their resignation.

The Board expresses its deep appreciation and gratitude towards the contribution of Mr. Pradeep Kumar Mittal, Ms. Seethalakshmi Venkataraman, Mr. Sachit Kanwar and Mr. Sameer Kanwar towards smooth working of the Company during their tenure.

The tenure of Mr. Surinder Paul Kanwar as Managing Director of the Company is expiring on 30 September, 2022. Further to his willingness to be re-appointed, the Board of Directors has proposed the re-appointment of Mr. Surinder Paul Kanwar as Managing Director and designate him as Chairman cum Managing Director of the Company for a further period of 5 (Five) years w.e.f. 01 October, 2022 on a token remuneration of Rupee One per month, in their meeting held on 30 May, 2022 subject to the approval of the members at the ensuing Annual General Meeting of the Company by way of a special resolution in terms of the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in read with the provisions of Section 196(3) of the Companies Act, 2013, the age of Mr. Surinder Paul Kanwar being more than seventy years at the commencement of his proposed tenure.

The Board of Directors of the Company appointed Ms. Preeti Goel as an Additional Director on 07 April, 2022 till the conclusion of forthcoming Annual General Meeting.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, it has been proposed to appoint Ms. Preeti Goel as a Non-Executive Independent Director for a period of 5 (Five) Years up to the conclusion of the 62nd Annual General Meeting (AGM) of the Company in the Calendar year 2027 at the ensuing AGM of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013 from the member of the Company proposing the candidature of Ms. Preeti Goel for the office of Non-Executive Independent Director.

In terms of the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association (AOA) of the Company, Mr. Naresh Kumar Verma, 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. Naresh Kumar Verma as a Non-Executive Director liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company.

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 2021-22, 4 (Four) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

- 22 June, 2021;
- 13 August, 2021;
- 02 November, 2021; and
- 08 February, 2022

Independent Directors

In terms of the provisions of Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Independent Directors of the Company have furnished a declaration to the Company

at the meeting of the Board of Directors held on 30 May, 2022 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2021-22, however the Company was not required to comply with the provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the familiarization programme for the Directors has been conducted voluntarily. The details of familiarization programme during the Financial Year 2021-22 are available on the official website of the Company i.e. www.raunaqinternational.com under the link: <https://www.raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors-fy21-22.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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.
 - For every appointment of an Independent Director, the Nomination and Remuneration Committee evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- 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 evaluation of performance of Independent Directors and the Board of Directors.
- 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, 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 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, 2022 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- | | |
|------------------------------|--------------------------------|
| 1. Mr. Surinder Paul Kanwar | Chairman and Managing Director |
| 2. Mr. Rajan Malhotra | Chief Executive Officer |
| 3. Mr. Kailash Chandra Yadav | Chief Financial Officer |
| 4. Ms. Neha Patwal | Company Secretary |

During the period under review, Mr. Sachit Kanwar has resigned from the post of Executive Director - Operations of the Company with effect from 27 September, 2021.

Further, Ms. Rashmi Aswal has resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 30 June, 2021 and Ms. Ankita Jain had been appointed as Company Secretary and Compliance Officer of the Company with effect from 01 November, 2021.

Pursuant to resignation of Ms. Ankita Jain from the post of Company Secretary and Compliance Officer of the Company with effect from 31 March, 2022, Ms. Neha Patwal has been appointed as Company Secretary and Compliance Officer of the Company with effect from 30 May, 2022.

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.

The CSR Committee comprises of Mr. Surinder Paul Kanwar, Mr. Rajiv Chandra Rastogi and Dr. Sanjeev Kumar.

During the period under review, Mr. Sachit Kanwar ceased to be a member of the CSR Committee on 27 September, 2021 pursuant to his resignation and Dr. Sanjeev Kumar had been inducted as a member of the Committee with effect from 12 January, 2022. Accordingly, the CSR Committee has been reconstituted.

The role of the Corporate Social Responsibility Committee includes:

- Formulation and recommendation to the Board, a Corporate Social Responsibility (CSR Policy) and annual action plan in pursuance of CSR Policy consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken.
- Monitoring the Corporate Social Responsibility Policy and annual action plan of the Company from time to time.
- Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- 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 2021-22 in terms of loss incurred during the Financial

Year 2020-21.

Audit Committee

The Audit Committee comprises of Dr. Sanjeev Kumar, Mr. Rajiv Chandra Rastogi and Mr. Naresh Kumar Verma.

During the period under review, Ms. Seethalakshmi Venkataraman ceased to be a member of the Audit Committee on 07 January, 2022 due to her demise and Mr. Naresh Kumar Verma had been inducted as a member of the Committee with effect from 12 January, 2022. 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 the 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, 2022, no complaint pertaining to sexual harassment was received by ICC.

Subsidiaries/Joint Ventures/Associate Companies

As on 31 March, 2021, your Company had an associate Company, Xlerate Driveline India Limited (XDIL) and the Company held 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.

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

Therefore, during the year under review, in order to support the stressed finance, the Company has disposed

off its aforesaid investment in XDIL to Mr. Sachit Kanwar, the Executive Director - Operations of the Company equivalent to 37,06,159 (Thirty Seven Lakhs Six Thousand One Hundred Fifty Nine) Equity Shares of ₹ 10/- (Rupees Ten) each of XDIL at a price of ₹ 7.00 (Rupees Seven) per Equity Share, total consideration being ₹ 2,59,43,113/- (Rupees Two Crores Fifty Nine Lakhs Forty Three Thousand One Hundred Thirteen Only), based on the valuation carried upon by an IBBI Registered Valuer. Therefore, XDIL ceased to be the associate of the Company.

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 2013-14 amount aggregating to ₹ 2,39,827/- (Rupees Two Lakhs Thirty Nine Thousand Eight Hundred Twenty Seven Only) and 10,697 (Ten Thousand Six Hundred Ninety Seven) 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 Registration No. 001035N) had been appointed as the Statutory Auditors of the Company in the 52nd 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 52nd AGM till 57th AGM in the calendar year 2022. Accordingly, the tenure of M/s. B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Registration No. 001035N) as the Statutory Auditors of the Company shall conclude in the ensuing Annual General Meeting.

The Board of Directors place on record their appreciation for the services rendered by M/s. B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Registration No. 001035N) during their tenure as Statutory Auditors of the Company.

Further, the Board recommends the re-appointment of M/s. B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Registration No. 001035N) as the Statutory Auditors of the Company in terms of the provisions of Section 139 of the Companies Act, 2013 for the approval of members in the ensuing Annual General Meeting, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the fifth consecutive Annual

General Meeting in the calendar year 2027. Certificate from the auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013.

Report on Financial Statements

The report of M/s B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Registration No. 001035N), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2022 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 2021-22 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, 2022 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 the 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t.

Corporate Governance requirements are not applicable to the Company for the Financial Year 2021-22 as the paid up equity share capital and net worth of the Company as on 31 March, 2021 stood at ₹ 334.32 Lakhs and ₹ 1,319.37 Lakhs respectively, which are below the prescribed threshold limits for applicability of the aforesaid Regulation.

Since the aforesaid provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable on the Company for the Financial Year 2021-22, the report on Corporate Governance as stipulated under Schedule V(C) of the said Regulation 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, 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/pdf/policy_on_vigil_mechanism.pdf) under the link: 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 ₹ 332.36 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 ₹ 987.02 Lakhs and a net current asset position of ₹ 157.23 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, 2022.

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	2021-22	2020-21
Foreign Exchange Earned	-	-
Foreign Exchange Used	-	-

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.raunaqinternational.com under the link: <http://www.raunaqinternational.com/pdf/annual-return-for-2021-22.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
DIN: 00033524

Dated: 30 May, 2022

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 Erstwhile Executive Director-Operations	Disposal of 37,06,159 (24.91%) equity shares held by the Company in XDIL to Mr. Sachit Kanwar	-	Total Transaction value ₹ 2,59,43,113/- i.e. ₹ 7.00 per Equity Share based on the fair valuation.	30.07.2021	-

* Resigned w.e.f. 27 September, 2021 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: 30 May, 2022

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. No Executive Director has drawn managerial remuneration as per Schedule V of the Companies Act, 2013. Therefore, the ratio of the remuneration of any such director to the median remuneration of the employees of the Company for the Financial Year 2021-22 is not available.

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

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 2021-22
1.	Mr. Rajan Malhotra Chief Executive Officer	5.60
2.	Mr. Kailash Chandra Yadav Chief Financial Officer	0.00*

* Drawn remuneration of ₹60,000 per month for the period 06 November, 2020 to 31 March, 2021 as per the contractual engagement for professional services for the Financial Year 2020-21 on pro rata basis.

3. There was no percentage increase in the remuneration of the median employee in the Financial Year 2021-22.
4. There were 36 permanent employees on the rolls of the Company as on 31 March, 2022.
5. There average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2021-22 was 9.01 and average percentage increase in the managerial remuneration of persons referred in point no. 2 is 5.96 % in the Financial Year 2021-22.
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: 30 May, 2022

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, 2022
A. Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31 March, 2022

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. Rajan Malhotra	64	B.E.	CEO	08.11.2005	43	22.37	Utility Power Tech Ltd.	0.00
2.	Mr. A.D. Jain	65	B. Tech - Civil	V.P.- Project	09.07.1979	43	20.02	The Cementation Construction Ltd.	0.00
3.	Mr. Vipin Kumar	60	DME	AGM-Projects	01.02.2006	41	14.11	Tyco Valves & Controls India Pvt. Ltd.	0.00
4.	Mr. Jagmohan Singh Bisht	54	DME	Sr. Manager-Projects	06.08.2007	34	12.96	Lloyd Insulation (India) Limited	0.00
5.	Mr. Rituraj Singh	35	B.E.	Asst. Manager	02.05.2011	14	10.94	Satnam Global Infra Projects Ltd.	0.00
6.	Mr. Akhilesh Kumar Mishra	42	B. Tech - ME	Asst. Manager	01.01.2007	16	8.32	Tulip Elastics Private Limited	0.00
7.	Mr. V.N. Sharma	56	Dip. Civil	Asst. Manager	22.09.2003	34	7.88	Econ Puri Consortium	0.00
8.	Mr. Kailash Chandra Yadav	63	B.Com	CFO	06.11.2020	41	7.20	Bharat Gears Ltd.	0.00
9.	Mr. D.S. Chatterjee	56	B.Com	Sr. Engineer	01.12.2003	33	5.76	Ascent Construction Pvt Ltd	0.00
10.	Mr. Chander Shakher Singh	58	DME	Sr. Engineer	24.11.2010	37	5.36	Firepro Systems Pvt. Ltd.	0.00

B. Employed throughout the year ended 31 March, 2022 & 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, 2022 & were in receipt of Remuneration aggregating not less than ₹ 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 :

01. Remuneration includes Salary, Allowances, Co's Contribution to Provident Fund & Superannuation Fund, and Value of other perquisites.

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director

DIN: 00033524

Dated: 30 May, 2022

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022

[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 2022, 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 56th Annual General Meeting of the Company was held on 31 August, 2021.

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, 2022 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 Based Employee Benefits and Sweat Equity) Regulations, 2021; - **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, 2021; - **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 (Buy-back of Securities) Regulations, 2018; - **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:

- Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI);
- 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.	Mr. Pradeep Mittal (Non-Executive Independent Director)	02 May, 2021	Cessation
2.	Ms. Rashmi Aswal (Company Secretary and Compliance Officer)	30 June, 2021	Cessation
3.	Mr. Sachit Kanwar (Executive Director-Operations)	27 September, 2021	Cessation
4.	Ms. Ankita Jain (Company Secretary and Compliance Officer)	02 November, 2021	Appointment
5.	Mr. Sameer Kanwar (Non-Executive Director)	31 December, 2021	Cessation
6.	Ms. Seethalakshmi Venkataraman (Non-Executive Independent Director)	07 January, 2022	Cessation
7.	Ms. Ankita Jain (Company Secretary and Compliance Officer)	31 March, 2022	Cessation

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

S.No.	Board of Directors/ Committee	Particulars of Resolution	Date of Resolution passed by Circulation	Date of Noting
1.	Audit Committee	To review the ongoing related party transaction between the Company and its related parties.	30 April, 2021	22 June, 2021
2.	Board of Directors	Cessation of Mr. Pradeep Kumar Mittal from the Directorship of the Company.	05 May, 2021	22 June, 2021
3.	Board of Directors	To consider and approve the reconstitution of the Audit Committee of the Board of Directors of the Company.	17 May, 2021	22 June, 2021
		To consider and approve the reconstitution of the Nomination and Remuneration Committee of the Board of Directors of the Company.		
		To consider and approve the reconstitution of the Stakeholders' Relationship Committee of the Board of Directors of the Company.		
		To consider and approve the reconstitution of the Finance Committee of the Board of Directors of the Company.		
		To consider and approve the reconstitution of the Share Issue Committee of the Board of Directors of the Company.		
		To consider and approve the reconstitution of the Corporate Social Responsibility Committee of the Board of Directors of the Company.		
		To consider and approve the reconstitution of the Business Strategy Committee of the Board of Directors of the Company.		
4.	Audit Committee	To consider and approve the disposal of 37,06,159 (24.91%) Equity Shares held by the Company in Xlerate Driveline India Limited, an Associate Company to Mr. Sachit Kanwar, Executive Director - Operations of the Company.	30 July, 2021	13 August, 2021
5.	Board of Directors	To consider and approve the disposal of 37,06,159 (24.91%) Equity Shares held by the Company in Xlerate Driveline India Limited, an Associate Company to Mr. Sachit Kanwar, Executive Director - Operations of the Company.	30 July, 2021	13 August, 2021
6.	Board of Directors	Resignation of Mr. Sachit Kanwar from the Directorship of the Company.	28 September, 2021	02 November, 2021
7.	Nomination and Remuneration Committee	To consider and recommend the appointment of Ms. Ankita Jain as Company Secretary and Compliance officer of the Company.	01 November, 2021	02 November, 2021

8.	Board of Directors	Resignation of Mr. Sameer Kanwar from the Directorship of the Company.	03 January, 2022	08 February, 2022
9.	Board of Directors	Cessation of Ms. Seethalakshmi Venkataraman from the Directorship of the Company.	07 January, 2022	08 February, 2022
10.	Board of Directors	<p>To consider and approve the reconstitution of the Audit Committee of the Board of Directors of the Company.</p> <p>To consider and approve the reconstitution of the Stakeholders' Relationship Committee of the Board of Directors of the Company.</p> <p>To consider and approve the reconstitution of the Finance Committee of the Board of Directors of the Company.</p> <p>To consider and approve the reconstitution of the Share Issue Committee of the Board of Directors of the Company.</p> <p>To consider and approve the reconstitution of the Corporate Social Responsibility Committee of the Board of Directors of the Company.</p> <p>To consider and approve the dissolution of the Business Strategy Committee of the Board of Directors of the Company.</p>	12 January, 2022	08 February, 2022

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 shortage/lack of funds.

- 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: 07 May, 2022

UDIN: A042749D000285739

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: 07 May, 2022

UDIN: A042749D000285739

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAUNAQ EPC INTERNATIONAL LIMITED

Report on the audit of the Financial statements

We have audited the financial statements of Raunaq EPC International Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2022, and its profit, 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 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 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 financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Board's report but does not include the financial statements and our auditor's 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact with those charge with the governance.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- (i) in 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 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 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 the Companies (Auditor's Report) Order, 2020 ("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 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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 'II'.
- (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, no managerial remuneration has been paid or provided by the Company during the year.

- (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 does not have any pending litigations which would impact its financial position;
 - 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.

- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050



Sanjay Nath

Partner

Membership No.082700

Place: New Delhi

Date: 30 May, 2022

UDIN: 22082700ANOSUU7206

Annexure 'I' to the Independent Auditors' Report

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

- i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment.
(B) The Company does not have intangible assets during the financial year ended 31 March, 2022 therefore the question of our commenting on whether the Company has proper record on intangible assets does not arise.
- (b) The Property, Plant and Equipment have been physically verified by the management during the year as per the regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties, and accordingly, reporting under clause 3(ii)(c) of the Order is not applicable.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) There are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) (a) As per the information and explanation provided to us and to the best of our knowledge and documents available with us, the Company has done physical verification of inventory items at reasonable intervals further as per our verification no material discrepancies (i.e over and above 10%) were required to be reported during the financial year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current asset, and accordingly clause 3(ii)(b) of the order is not applicable.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of 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 2021-22, and accordingly clause 3(iii)(a), (b), (c), (d), (e) and (f) of the order are not applicable.
- iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any loans, investments, guarantees and security which are covered under the provisions of section 185 and 186 of the Act, accordingly, reporting under paragraph 3 (iv) of the Order is not applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it. 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, 2022 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there is no dues of Income Tax, Goods and Services Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii) (a) According to the information and explanations given to us, no income has been surrendered or disclosed, which is not recorded in the books of accounts, during the year found in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) Based on the information and explanations given to us, we are of the opinion that the Company has not availed any loan from the financial institutions, banks or debenture holders. Also, the Company did not have any outstanding loans and borrowings from government during the year. Accordingly, the provision stated in clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our audit procedures, the Company does not have any outstanding term loan at any point of time during the year, hence clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company does not taken any funds from any entity or person on account of or to meet the obligations of its associates hence clause 3(ix)(e) of the order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, the Company did not raised loans during the year on the pledge of securities held in its associate, hence clause 3(ix)(f) of the order is not applicable to the Company.
- (x) (a) 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 and term Loans. Accordingly, the provisions of clause 3 (x)(a) of the Order are not applicable to the Company.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not allotted Preferential shares (section 62) or raised money by way of Private placement (section 42) or convertible debentures (fully, partially or optionally convertible), during the year.
- (xi) (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received whistle-blower complaints during the year, hence whether the auditors have considered the complaints does not arise.
- (xii) 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.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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 Financial Statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and best of knowledge and believe, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) According to the information and reports given to us, we have considered all the internal audit reports covering period upto the end of the financial year under audit prior to finalizing this audit report.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted non-banking financial or Housing finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence whether the Company has fulfilled the criteria of CIC does not arise.
- (d) Based on the information and explanations provided by management of the company, the group has no CICs as part of Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the year, hence para 3 clause (xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and based on our examination of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) Clause (xx) of this report is not applicable, since section 135 of the said Act is not applicable.
- (xxi) The Company does not have any associate Companies, joint venture or subsidiaries at the reporting date, therefore clause (xxi) of this report is not 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: 30 May, 2022

UDIN: 22082700ANOSUU7206

Annexure 'II' to the Independent Auditors' Report

(Referred to in Paragraph 2(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, 2022 in conjunction with our audit of the 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 with reference to financial statements 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 were 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 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to the Financial statements

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 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 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 with reference to the Financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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, 2022 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: 30 May, 2022

Membership No.082700

UDIN: 22082700ANOSUU7206

BALANCE SHEET

AS AT 31 MARCH, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	174.03	366.26
Financial Assets			
a. Investments	4	339.27	351.58
b. Trade Receivables	5	603.37	976.46
c. Other Financial Assets	6	1.03	31.76
Total Non-Current Assets		1,117.70	1,726.06
Current Assets			
Inventories	8	80.60	87.10
Financial Assets			
a. Trade Receivables	9	660.16	471.07
b. Cash and Cash Equivalents	10	53.64	90.29
c. Bank Balances other than (b) above	11	300.84	355.45
d. Loans and Advances	12	8.49	11.43
e. Other Financial Assets	13	11.76	12.79
Current Tax Assets	14	14.00	86.06
Other Current Assets	15	200.15	381.29
Total Current Assets		1,329.64	1,495.48
Total Assets		2,447.34	3,221.54
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	334.32	334.32
Other Equity	17	652.70	985.05
Total Equity		987.02	1,319.37
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	18	228.50	506.91
Provisions	19	14.44	17.12
Deferred Tax Liability	7	44.97	49.36
Total Non-Current Liabilities		287.91	573.39
Current Liabilities			
Financial Liabilities			
a. Borrowings	20	-	15.94
b. Trade Payables	21		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		0.20	0.33
Total Outstanding Dues of other than Micro Enterprises and Small Enterprises		749.30	649.46
c. Other Financial Liabilities	22	233.51	329.44
Other Current Liabilities	23	87.54	225.95
Provisions	24	101.86	107.66
Total Current Liabilities		1,172.41	1,328.78
Total Liabilities		1,460.32	1,902.17
Total Equity and Liabilities		2,447.34	3,221.54
Significant accounting policies and notes to 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)

Dr. Sanjeev Kumar (DIN: 00364416)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Preeti Goel (DIN: 09561869)
Directors

Sanjay Nath
Partner
Membership No. 082700
Date: 30 May, 2022

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Kailash Chandra Yadav
Chief Financial Officer
(PAN: AAPY0255B)

Neha Patwal
Company Secretary
(PAN: ESRPP5275F)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Revenue from operations	25	680.29	987.13
Other income	26	343.99	522.56
Total revenue/income		1,024.28	1,509.69
EXPENSES			
a. Cost of material consumed	27	407.33	42.05
b. Changes in Inventory of work-in-progress	27A	(1.02)	77.54
c. Employee benefits expenses	28	288.36	365.38
d. Finance cost	29	98.04	149.21
e. Depreciation and amortization expenses	30	39.63	74.67
f. Bad debts written off		150.05	165.72
g. Allowance for expected credit loss		(2.79)	9.36
h. Other expenses	31	380.52	631.12
Total expenses		1,360.12	1,515.05
Profit/(Loss) before tax		(335.84)	(5.36)
Income tax expenses			
a. Current tax		-	-
b. Tax expense related to prior period		-	-
Net current tax	33	-	-
Deferred tax-charge/(credit)	33	(4.39)	24.35
Total tax expense		(4.39)	24.35
Profit/(Loss) for the year		(331.45)	(29.71)
Other Comprehensive Income			
a. Items that may be reclassified to Profit and Loss			
Income tax effect		-	-
		-	-
b. Items that will not be reclassified to Profit and Loss			
Re-measurement gains/(Losses) on defined benefit plan		(0.90)	(2.56)
Income tax effect		-	-
		(0.90)	(2.56)
Other Comprehensive Income for the Year (net of tax) (a+b)		(0.90)	(2.56)
Total Comprehensive Income for the year		(332.35)	(32.27)
Earnings per equity share of [nominal value per share ₹ 10/- (31 March, 2021 : ₹ 10/-)]			
Basic earning per share	32	(9.91)	(0.89)
Diluted earning per share	32	(9.91)	(0.89)
Significant accounting policies and notes to financial statements	1-48		

This is the 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)

Dr. Sanjeev Kumar (DIN: 00364416)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Preeti Goel (DIN: 09561869)
Directors

Sanjay Nath
Partner
Membership No. 082700
Date: 30 May, 2022

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Kailash Chandra Yadav
Chief Financial Officer
(PAN: AAAPY0255B)

Neha Patwal
Company Secretary
(PAN: ESRPP5275F)

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	(335.84)	(5.36)
Adjustments for:		
Net (gain)/Loss on fair value of financial assets through Statement of Profit & loss	(166.57)	(112.16)
Expected credit loss	(2.79)	9.36
Depreciation and amortization	39.63	74.67
Loss on sale of fixed Assets	62.65	2.78
Interest and other charges	98.04	149.21
Interest Income	(30.28)	(33.37)
Profit on sale of asset	(0.29)	(0.03)
Profit on sale of Investment	(80.55)	-
Operating profit before working capital changes	(416.00)	85.10
Changes in working Capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(186.31)	2,077.28
Inventories	6.50	(76.68)
Long Term loans & advances	-	2.53
Short term loans & advances	2.94	8.87
Non-current trade receivables	373.08	(748.82)
Other current financial assets	1.04	(2.85)
Other non current financial assets	30.73	181.74
Other current assets	253.19	90.38
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	99.72	(1,012.63)
Provisions	(9.38)	(83.72)
Other current liabilities	(208.51)	(376.97)
Cash generated from operations	(53.00)	144.24
Direct Taxes paid (Net)	-	-
Net Cash from/(used) in operating activities	(53.00)	144.24
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-	(0.47)
Sale of fixed assets/Investments	349.68	560.77
Interest received	30.28	33.37
Investment in deposits	54.60	(124.82)
Net Cash from/(used) in investment activities	434.56	468.85
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	-	54.61
Proceeds (repayments) from short term borrowings	(15.94)	(449.36)
(Repayment) of long term borrowings	(304.23)	(13.25)
Interest and other charges paid	(98.04)	(149.21)
Dividend including dividend distribution Tax paid	-	(1.71)
Net Cash from/(used) in financing activities	(418.21)	(558.92)
Net increase/(decrease) in cash and cash equivalents	(36.65)	54.17
Opening balance of Cash and cash equivalents	96.88	42.71
Closing balance of Cash and cash equivalents	60.23	96.88

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2022.... CONTD.

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.94	0.42
Balance with scheduled banks:		
in current accounts	59.29	96.46
Cash and cash equivalents at the end of the year	60.23	96.88

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

This is the 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)

Dr. Sanjeev Kumar (DIN: 00364416)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Preeti Goel (DIN: 09561869)
Directors

Sanjay Nath
Partner
Membership No. 082700
Date: 30 May, 2022

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Kailash Chandra Yadav
Chief Financial Officer
(PAN: AAAPY0255B)

Neha Patwal
Company Secretary
(PAN: ESRPP5275F)

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Amount
As at 31 March, 2021	16	334.32
Change in equity share capital		-
As at 31 March, 2022	16	334.32

B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
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)	-	(29.71)
Re-measurement gains/(losses) on defined benefit plan	-	-	-	-	(2.56)	(2.56)
Total comprehensive income for the year	0.67	162.43	1,525.27	(753.67)	50.35	985.05
Transactions with owners in their capacity as owners:						
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	-
Balance at 31 March, 2021	0.67	162.43	1,525.27	(753.67)	50.35	985.05
Balance at 01 April, 2021	0.67	162.43	1,525.27	(753.67)	50.35	985.05
Profit/(Loss) for the year	-	-	-	(331.45)	-	(331.45)
Re-measurement gains/(losses) on defined benefit plan	-	-	-	-	(0.90)	(0.90)
Total comprehensive income for the year	0.67	162.43	1,525.27	(1,085.12)	49.45	652.70
Transactions with owners in their capacity as owners:						
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	-
Balance at 31 March, 2022	0.67	162.43	1,525.27	(1,085.12)	49.45	652.70

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)

Dr. Sanjeev Kumar (DIN: 00364416)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Preeti Goel (DIN: 09561869)
Directors

Sanjay Nath
Partner
Membership No. 082700
Date: 30 May, 2022

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Kailash Chandra Yadav
Chief Financial Officer
(PAN: AAAPY0255B)

Neha Patwal
Company Secretary
(PAN: ESRPP5275F)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars
1. COMPANY OVERVIEW	<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. 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.</p> <p>These financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 30 May, 2022.</p>
2. SIGNIFICANT ACCOUNTING POLICIES	<p>This Note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.</p>
2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS	<p>a. STATEMENT OF COMPLIANCE</p> <p>The 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.</p> <p>b. These financial statements have been prepared on a historical cost basis except for the following:-</p> <ul style="list-style-type: none"> Certain Financial Assets and liabilities measured at fair value. Defined benefit plans - Plan assets measured at fair value.
2.2 FUNCTIONAL AND PRESENTATION CURRENCY	<p>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.</p>
2.3 USE OF ESTIMATES	<p>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.</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>
2.4 REVENUE RECOGNITION	<p>a. REVENUE FROM CONSTRUCTION CONTRACT</p> <p>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.</p> <p>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.</p> <p>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.</p>

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)

Note	Particulars
	<p>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 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.</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>

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:

- interest expense calculated using the effective interest rate method as described in Ind AS 109,
- 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

Note	Particulars
	<p>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.</p> <p>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.</p> <p>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.</p>

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>Financial liabilities at fair value through profit and loss</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>Loans and borrowings</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>Derecognition</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

- Measurement of defined benefit obligations – Note 41
- Estimated useful life of intangible assets, property, plant and equipment – Note 2.5 and 2.6
- Estimated fair value of financial instruments – Note 43
- Recognition of revenue – Note 2.4
- Provision for expected credit losses – Note 38

ii. Significant Judgements

- Designating financial asset/liability through fair value through profit or loss so as to reduce/eliminate accounting mismatch.
- 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	Electricals Fittings	Vehicles	Computers	Total
As at 31 March, 2021					
Gross carrying amount					
Opening gross carrying amount	437.66	0.47	197.12	9.89	645.15
Addition	0.47	-	-	-	0.47
Disposals/transfers	31.02	-	-	-	31.02
Closing gross carrying amount	407.11	0.47	197.12	9.89	614.60
Accumulated depreciation					
Opening accumulated depreciation	106.34	0.10	77.89	4.83	189.14
Depreciation charged during the year	44.02	-	25.55	1.12	70.69
Disposals/transfers	11.52	-	-	-	11.52
Closing accumulated depreciation	138.84	0.10	103.44	5.95	248.31
Net carrying amount	268.27	0.37	93.68	3.94	366.29
As at 31 March, 2022					
Gross carrying amount					
Opening gross carrying amount	407.11	0.47	197.12	9.89	614.60
Addition	-	-	-	-	-
Disposals/transfers	171.26	-	191.22	-	362.48
Closing gross carrying amount	235.85	0.47	5.90	9.89	252.12
Accumulated depreciation					
Opening accumulated depreciation	138.84	0.10	103.44	5.95	248.31
Depreciation charged during the year	36.71	-	2.73	0.18	39.62
Disposals/transfers	108.98	-	100.89	-	209.87
Closing accumulated depreciation	66.57	0.10	5.28	6.13	78.08
Net carrying amount	169.28	0.37	0.62	3.76	174.07

Note 4 : Non-current Investments

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investment in Equity Instruments		
A. Investment in Associate Company (At cost)		
Unquoted		
Nil (31 March, 2021 : 37,06,159) Equity shares of ₹ 10/- each fully paid up in Xlerate Driveline India Limited.	-	178.88
Sub-total	-	178.88
B. Investment in Others		
Quoted		
At fair value through profit and loss (FVTPL) 2,36,097 (31 March, 2021: 2,36,097) Equity shares of ₹ 10/- each fully paid up in Bharat Gears Limited	339.27	172.70
Sub-total	339.27	172.70
Total	339.27	351.58
Aggregate amount of Quoted Investments and market value thereof	339.27	172.70
Aggregate amount of Unquoted Investments	-	178.88

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 5 : Non-current Trade Receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables including retention money	603.37	976.46
Trade receivables which have significant increase in credit risk	6.57	9.36
Trade receivables - credit impaired	(6.57)	(9.36)
Total	603.37	976.46

Trade Receivables as on 31 March 2022

Particulars	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. Undisputed Trade receivables – considered good	603.37	-	-	-	-	603.37
ii. Undisputed Trade receivables – considered Doubtful	6.57	-	-	-	-	6.57
iii. Disputed Trade receivables – considered good	-	-	-	-	-	-
iv. Disputed Trade receivables – considered doubtful	-	-	-	-	-	-

Trade Receivables as on 31 March 2021

Particulars	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. Undisputed Trade receivables – considered good	976.46	-	-	-	-	976.46
ii. Undisputed Trade receivables – considered Doubtful	9.36	-	-	-	-	9.36
iii. Disputed Trade receivables – considered good	-	-	-	-	-	-
iv. Disputed Trade receivables – considered doubtful	-	-	-	-	-	-

Note 6 : Other Non-current Financial Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Long term deposits with banks with maturity period more than 12 months	-	30.73
Refer (a) below		
Security deposit		
Unsecured, considered good	1.03	1.03
Total	1.03	31.76

(a) Nil (31 March, 2021 : ₹ 30.73 Lakhs) held as Margin money against bank guarantees.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 7 : Deferred Tax Liability

Particulars	As at 31 March, 2022	(Charged)/ credit during the year	As at 31 March, 2021
Deferred tax liabilities on account of:			
a) Difference between book and tax depreciation	(1.67)	18.53	(20.20)
b) Income on Fair valuation of shares of Bharat Gears Limited	(43.30)	(14.14)	(29.16)
Total deferred tax liability	(44.97)	4.39	(49.36)

Note 8 : Inventories

Particulars	As at 31 March, 2022	As at 31 March, 2021
At lower of cost and net realisable value		
Stock-in trade-traded goods	7.40	14.92
Work in Progress	73.20	72.18
Total	80.60	87.10

Note 9 : Current Trade Receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured considered good, unless otherwise stated		
Trade receivables	660.16	471.07
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	660.16	471.07

Trade Receivables as on 31 March, 2022

Particulars	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. Undisputed Trade receivables – considered good	484.71	39.39	36.61	58.67	40.78	660.16
ii. Undisputed Trade receivables – considered Doubtful	-	-	-	-	-	-
iii. Disputed Trade receivables – considered good	-	-	-	-	-	-
iv. Disputed Trade receivables – considered doubtful	-	-	-	-	-	-

Trade Receivables as on 31 March, 2021

Particulars	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. Undisputed Trade receivables – considered good	118.86	49.42	213.68	54.68	34.43	471.07
ii. Undisputed Trade receivables – considered Doubtful	-	-	-	-	-	-
iii. Disputed Trade receivables – considered good	-	-	-	-	-	-
iv. Disputed Trade receivables – considered doubtful	-	-	-	-	-	-

Note 10 : Cash and Cash Equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance with banks		
In current account	52.70	89.87
Cash on hand	0.94	0.42
Total	53.64	90.29

Note 11 : Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Other balances		
Earmarked balances with banks for:		
Unpaid dividends	6.59	6.59
Fixed deposits with various authorities		
Margin money against bank guarantees and others	294.25	348.86
Total	300.84	355.45

Note 12 : Current Loans and Advances

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Loans and advances to employee	8.49	11.44
Total	8.49	11.44

Note 13 : Other Current Financial Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Accrued interest on deposits with banks and others	5.43	6.12
Security deposits	6.33	6.67
Total	11.76	12.79

Note 14 : Current Tax Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current tax assets (net of provision)	14.00	86.06
Total	14.00	86.06

Note 15 : Other Current Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured considered good		
Prepaid expenses	4.63	31.21
Advances recoverable in cash or in kind or for value to be received	19.32	163.51
Balance with Government authorities	176.20	186.57
Total	200.15	381.29

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 16 : Equity Share Capital

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorized:				
Equity shares of ₹ 10 each (31 March, 2021 ₹ 10 each)	3,50,00,000	3,500.00	3,50,00,000	3,500.00
Issued, Subscribed and Paid-up:				
Equity shares of ₹ 10 each (31 March, 2021 ₹ 10 each)	33,43,243	334.32	33,43,243	334.32
Total		334.32		334.32

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.

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

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	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	2,00,972	6.01

Promoter's Shareholdings

Promoter Name	As at 31 March, 2022			As at 31 March, 2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Mr. Surinder Paul Kanwar	14,66,695	43.87	-	14,66,695	43.87	-
Late Dr. Raunaq Singh	19,935	0.60	-	19,935	0.60	-
Gulab Merchandise Private Limited	1,44,825	4.33	-	1,44,825	4.33	-
Vibrant Reality Infra Private Limited	1,16,500	3.48	-	1,16,500	3.48	-

Reconciliation of No. of Shares Outstanding and the amount of the share capital at the beginning and end of the year

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	33,43,243	334.32	33,43,243	334.32
Add: Shares allotted during the year	-	-	-	-
Outstanding at the end of the year	33,43,243	334.32	33,43,243	334.32

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 17 : Other Equity

Particulars	Refer following items	As at 31 March, 2022	As at 31 March, 2021
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)	(1,035.67)	(703.32)
Total		652.70	985.05

Particulars	As at 31 March, 2022	As at 31 March, 2021
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	(703.32)	(671.05)
Profit for the year	(331.45)	(29.71)
Remeasurement of defined benefit plans (net of tax)	(0.90)	(2.56)
Balance at the end of the year	(1,035.67)	(703.32)
Total	652.70	985.05

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 18 : Non-current Borrowings

Particulars	As at 31 March, 2022	As at 31 March, 2021
Secured borrowings		
Term loans from banks	-	18.31
Unsecured borrowings		
Loan from corporates	216.00	236.00
Loan from others	12.50	252.60
Total	228.50	506.91

Note:

1. Term Loan from bank ₹ Nil (31 March, 2021 : ₹ 18.31 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 19 : Non-current Provisions

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits		
Provision for compensated absences	9.81	13.53
Provision for Gratuity	4.63	3.59
Total	14.44	17.12

Note 20 : Current Borrowings

Particulars	As at 31 March, 2022	As at 31 March, 2021
Secured Borrowings		
Working capital loans repayable on demand from		
- NSIC RMA Account [refer footnote (ii)]	-	15.94
Total	-	15.94

Note:

- (i) Secured against bank guarantee issued by State Bank of India.

Note 21 : Trade Payables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises	0.20	0.33
Total outstanding dues of trade payable other than micro enterprises and small enterprises	749.30	649.46
Total	749.50	649.79

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade Payables as at 31 March 2022

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. MSME	0.20	-	-	-	0.20
ii. Others	509.45	41.37	44.03	154.45	749.30
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

Trade Payables as at 31 March 2021

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. MSME	0.33	-	-	-	0.33
ii. Others	346.25	68.70	57.83	176.68	649.46
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

As at 31 March 2022, there were ₹ 0.20 Lakhs (as at 31 March 2021 ₹ 0.33 Lakhs) 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 22 : Other Current Financial Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current maturities of long-term debt (Refer Note 18)	-	25.82
Unclaimed dividend	6.59	6.59
Employee dues	147.88	205.77
Creditors for expenses	46.36	57.06
Interest payable	32.68	34.20
Total	233.51	329.44

Trade Payables as at 31 March 2022

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. MSME	-	-	-	-	-
ii. Others	15.54	10.05	8.58	12.19	46.36
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

RAUNAQ EPC INTERNATIONAL LIMITED

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade Payables as at 31 March 2021

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i. MSME	-	-	-	-	-
ii. Others	28.40	3.45	13.84	11.37	57.06
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

Note 23 : Other Current Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Book Debts	-	-
Statutory dues	41.87	42.24
Contractually reimbursable expenses	13.48	19.98
Contract mobilization advances from customers	32.19	163.73
Total	87.54	225.95

Note 24 : Current Provisions

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits		
Provision for compensated absences	6.35	11.59
Provision for gratuity	13.77	13.52
Provision-others		
Provision for other outstanding liabilities	81.74	82.55
Total	101.86	107.66

Note 25 : Revenue from Operations

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Sales of service (service contracts/supply contracts)	680.29	987.13
Total	680.29	987.13

Note 26 : Other Income

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Interest income	30.28	33.37
Net gain/(loss) on fair value of financial assets through statement of profit & loss (FVTPL)	166.56	112.16
Amount received from revenue authorities	-	-
Unclaimed balances written back	52.91	338.74
Profit on sale of Investment	80.55	-
Other non-operating income	13.69	38.29
Total	343.99	522.56

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 27 : Cost of Materials Consumed

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Opening stock	14.92	10.42
Add: Purchases during the year	399.82	46.55
Less: Closing stock	7.41	14.92
Net material consumed	407.33	42.05
Total	407.33	42.05

Note 27A : Changes in Inventory of Work-in-Progress

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Inventories (at the end of the year)		
- Work-in-progress	73.20	(77.54)
Inventories (at the beginning of the year)		
- Work-in-progress	72.18	-
Total	(1.02)	77.54

Note 28 : Employee Benefits Expenses

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
a. Salaries and wages	259.50	319.77
b. Contributions to provident and other fund	16.88	21.46
c. Gratuity fund contribution - (Refer note 43)	1.29	11.42
d. Staff welfare expenses	10.69	12.73
Total	288.36	365.38

Note 29 : Finance Cost

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
a. Interest expenses on:		
Borrowings	24.11	67.22
b. Other borrowing costs	73.93	81.99
(Bank and other financial charges)		
Total	98.04	149.21

Note 30 : Depreciation and Amortization Expenses

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Depreciation of property, plant and equipment	39.63	70.69
Amortization of intangible assets	-	3.98
Total	39.63	74.67

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 31 : Other Expenses

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Consumption of stores and spare parts	32.38	85.86
Erection expenses	125.34	365.26
Power and fuel	(0.61)	5.19
Hire charges	8.53	14.61
Travelling & conveyance	24.45	33.21
Rent	17.20	23.41
Repairs and maintenance - machinery	0.90	1.44
Insurance	8.06	11.92
Rates and taxes	30.47	10.25
Freight and forwarding	0.70	7.74
Payments to auditors (Refer Note (i) below)	4.00	4.02
Loss on fixed assets sold	62.65	2.78
Legal & professional charges	34.19	32.26
Miscellaneous expenses	32.26	33.17
Total	380.52	631.12

Auditors' Remuneration paid/payable for the year

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Statutory audit fee	2.50	2.50
Limited review and other certifications	1.50	1.52
Reimbursement	-	-
Total	4.00	4.02

Working Note

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Postage, Telegram, Telephone & Telex	4.25	5.12
Printing & Stationery	1.45	2.58
Miscellaneous Expenses	13.14	7.28
Security Expenses	3.43	5.77
Marketing Development Expenses	-	-
Repairs & Maintenance - Others	4.17	3.43
Advertisement & Publicity, Subscription & Periodicals	4.02	4.19
Tendering Expenses	-	0.05
Director's Sitting Fees	1.80	4.75
Total	32.26	33.17

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 32 : Earnings Per Share

Particulars	For the Year ended 31 March, 2022	For the Year ended 31 March, 2021
Weighted average number of equity shares outstanding	33,43,243	33,43,243
Profit after tax available for shareholders	(331.45)	(29.71)
Basic & diluted earning per share	(9.91)	(0.89)
Face value per share	10.00	10.00

Note 33 : 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 not-deductible items:

Particulars	2021-22	2020-21
Income Tax Expenses		
Current tax for the year	-	-
Adjustment for current tax of prior period	-	-
Total current tax expenses	-	-
Deferred tax		
Increase/(Decrease) in deferred tax assets	-	-
(Increase)/Decrease in deferred tax liabilities	4.39	(24.35)
Total deferred tax income/(expenses)	4.39	(24.35)
Income tax expenses	(4.39)	24.35

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

Particulars	2021-22	2020-21
Profit before income taxes	(335.84)	(5.36)
Enacted tax rate in India (%)	26.00%	26.00%
Computed expected tax expenses	-	-
Tax effect due to non-taxable income for Indian tax purposes	(43.31)	(29.16)
Tax reversals	-	-
Effect of non-deductible expenses	43.31	29.16
Others	(4.39)	24.35
Income tax expenses	(4.39)	24.35

Note 34 : 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 35 : 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.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 36 : Contingent Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
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	1,042.52	1,920.14
b. Guarantee given to bank on behalf of associate Company	141.44	141.44
Total	1,183.96	2,061.58

Note 37 : 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 31 March, 2022	As at 31 March, 2021
Equity share capital	334.32	334.32
Other equity	652.70	985.05
Total equity	987.02	1,319.37
Long term debt	228.50	532.73
Debt to equity ratio	0.23	0.40

Note 38 : Financial Risk Management Objectives and Policies

The Company's business activities are 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 31 March, 2022	As at 31 March, 2021
Floating rate borrowings: Working capital loan	-	31.75
Total	-	31.75

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at 31 March, 2022	As at 31 March, 2021
50 bp increase - decrease in profit	-	1.53
50 bp decrease - increase in profit	-	(1.53)

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 31 March, 2022	As at 31 March, 2021
Trade Receivables (Gross)	1,270.10	1,456.88
Less: Expected Credit Loss	(6.57)	(9.36)
Trade Receivables (Net)	1,263.53	1,447.52

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 ₹ 1,978.56 Lakhs as at 31.03.2022 and ₹ 2,300.83 Lakhs as at 31.03.2021, which is the carrying amount of cash and cash equivalents, other bank balances, investments (other than equity investments in associate), trade receivables, loans and other financial assets.

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

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

As at 31 March, 2022

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	-	228.50	-	228.50
Trade Payables	749.50	-	-	749.50
Other Financial Liabilities	233.51	-	-	233.51
Total	983.01	228.50	-	1,211.51

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	649.79	-	-	649.79
Other Financial Liabilities	303.62	-	-	303.62
Total	995.18	506.91	-	1,502.09

Note 39 : Corporate Social Responsibility

Gross amount required to be spent by the Company during the Financial Year 2021-22 is Nil as the Company has incurred losses in the previous years.

Note 40 : Expenditure in Foreign Currency

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Other matter (Travel)	-	-

Note 41 : 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	2021-22	2020-21
Contribution to Provident Fund and Family Pension Fund	14.79	19.54
Contribution to Superannuation Fund	0.73	0.73

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.

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

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	
Components of employee expenses	2021-22	2020-21
Current service cost	2.41	3.58
Past service cost	-	-
Interest cost	3.59	7.02
Expected return on Plan Assets	(1.87)	(5.29)
Total expenses recognised in the Profit & Loss Statement	4.13	5.31
Cumulative unrecognised actuarial (gain)/loss opening B/F	(7.23)	(11.20)
Actuarial (gain)/loss-Obligation	17.22	(0.64)
Actuarial (gain)/loss-plan assets	0.15	4.61
Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses	10.14	(7.23)
Actual Contribution & Benefits payment for the year	2021-22	2020-21
Actual Benefits payments	20.63	42.09
Actual contributions	14.10	0.06
Net assets/(liability) recognised in the Balance Sheet	2021-22	2020-21
Present value of Defined Benefit Obligation	40.34	51.34
Fair value of Plan Assets	21.94	34.23
Funded Status [Surplus/(Deficit)]	(18.40)	(17.11)
Net assets/(liability) recognised in the Balance Sheet	(18.40)	(17.11)
Change in Defined Benefits Obligation during the year	2021-22	2020-21
Present value of Defined Benefit Obligation as at the beginning of the year	51.34	100.22
Current service cost	2.41	3.58
Interest Cost	3.59	7.02
Actuarial Losses/(Gains)	17.22	(0.64)
Benefits paid	34.23	58.82
Present value of Defined Benefits Obligation as at the end of the year	40.34	51.34
Change in Fair value of the Plan Assets during the year	2021-22	2020-21
Plan Asset as at the beginning of the year	34.23	75.59
Actuarial Adjustment	(7.49)	-
Expected return on the Plan Assets	1.87	5.29
Actual Company contributions	14.10	0.06
Actuarial (Losses)/Gains	(0.15)	(4.61)
Benefits paid	(20.63)	(42.09)
Plan Asset as at the end of the year	21.94	34.23

RAUNAQ EPC INTERNATIONAL LIMITED

(All amounts in ₹ Lakhs, unless otherwise stated)

Actuarial Assumptions	2021-22	2020-21
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%

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	2021-22	2020-21
Insurer Managed Funds	100%	100%
Experience Adjustments	2021-22	2020-21
Present value of Defined Benefit Obligation as at the end of the year	40.34	(19.73)
Fair value of plan assets as at the end of the year	21.94	(21.67)
Funds Status [Surplus/(Deficit)]	(18.40)	(17.11)
Experience adjustment of Plan Liabilities	3.62	(17.37)
Experience adjustment of Plan Asset	(0.15)	(4.61)

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 31.03.2022 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(1.73)	1.93	1.95	(1.78)	0.20	(0.22)

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

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	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)

The Company expects to contribute ₹ 2.92 Lakhs (Previous year ₹ 4.32 Lakhs) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2022 is 7 years (as at 31.03.2021: 9 years).

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

Particulars	(₹ in lakhs)
01 April, 2022 to 31 March, 2023	13.77
01 April, 2023 to 31 March, 2024	1.63
01 April, 2024 to 31 March, 2025	2.02
01 April, 2025 to 31 March, 2026	5.46
01 April, 2026 to 31 March, 2027	5.53
01 April, 2027 onwards	11.92

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 42 : Related Party Disclosures

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

(a) Associate Company:

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)

Clip-Lok Simpak (India) Private Limited (CSIPL)

Nexus EPC Private Limited (NEPL)

(Formerly known as 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	Associate Company		Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel		KMP's Relative	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Transaction during the year								
Reimbursement of expenses (net)								
XDIL*	-	2.75	-	-	-	-	-	-
Rent expense								
BGL	-	-	2.32	4.32	-	-	-	-
XDIL*	0.69	0.44	-	-	-	-	-	-
VRIPL	-	-	-	2.40	-	-	-	-
Electricity expense								
VRIPL	-	-	-	0.47	-	-	-	-
Interest expense								
UCPL	-	-	3.98	3.00	-	-	-	-
CSIPL	-	-	2.08	2.00	-	-	-	-
VRIPL	-	-	1.89	2.00	-	-	-	-
Loan taken								
Mr. Naresh Kumar Verma	-	-	-	-	-	250.00	-	-
UCPL	-	-	15.00	-	-	-	-	-
CSIPL	-	-	5.00	-	-	-	-	-
VRIPL	-	-	-	1.00	-	-	-	-
Loan repaid								
Mr. Naresh Kumar Verma	-	-	-	-	250.00	-	-	-

Particulars	Associate Company		Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel		KMP's Relative	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Transaction during the year								
Managerial remuneration								
Mr. Surinder Paul Kanwar	-	-	-	-	^	^	-	-
Mr. Sachit Kanwar***	-	-	-	-	-	15.35	-	-
Director's sitting fees								
Mr. Sameer Kanwar****	-	-	-	-	0.10	0.50	-	-
Dr. Sanjeev Kumar	-	-	-	-	0.70	1.05	-	-
Mr. Rajiv Chandra Rastogi	-	-	-	-	0.25	1.05	-	-
Mr. Pradeep Kumar Mittal*****	-	-	-	-	-	0.75	-	-
Mr. Naresh Kumar Verma	-	-	-	-	0.15	0.50	-	-
Mrs. Seethalakshmi Venkataraman*****	-	-	-	-	0.60	0.90	-	-
Fees for Professional services								
Mr. Praveen Kumar Mittal	-	-	-	-	-	-	-	0.50
Balances at the end of the year	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Corporate Guarantee given to bank for credit limit sanctioned								
XDIL*	405.00	405.00	-	-	-	-	-	-
Balance payable/receivable								
Mr. Sameer Kanwar****	-	-	-	-	-	0.37	-	-
Dr. Sanjeev Kumar	-	-	-	-	0.18	0.74	-	-
Mr. Rajiv Chandra Rastogi	-	-	-	-	-	0.74	-	-
Mr. Pradeep Kumar Mittal*****	-	-	-	-	0.19	0.42	-	-
Mr. Naresh Kumar Verma	-	-	-	-	-	250.37	-	-
Mrs. Seethalakshmi Venkataraman*****	-	-	-	-	-	0.65	-	-
Mr. Praveen Kumar Mittal	-	-	-	-	-	-	0.46	0.46
XDIL	10.21	9.40	-	-	-	-	-	-
UCPL	-	-	52.44	33.46	-	-	-	-
CSIPL	-	-	29.09	22.01	-	-	-	-
BGL	-	-	1.49	24.24	-	-	-	-
VR IPL	-	-	42.56	40.53	-	-	-	-
Guarantee given for credit limits taken by Company								
VR IPL	-	-	821.46	1,419.14	-	-	-	-
Mr. Surinder Paul Kanwar	-	-	-	-	1,042.52	1,920.14	-	-

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

* w.e.f 16.09.2021, Xlerate Driveline India Limited ceased to be Associate Company of Raunaq EPC International Limited.

** w.e.f 30.12.2021, Key managerial personnel is not able to exercise significant influence over Gulab Merchandise Private Limited (GMPL).

*** w.e.f 27.09.2021, Mr. Sachit Kanwar resigned as Executive Director - Operations in the Company.

**** w.e.f 31.12.2021, Mr. Sameer Kanwar resigned as Non - Executive Director in the Company.

***** w.e.f 02.05.2021, Mr. Pradeep Kumar Mittal ceased to be Non - Executive Independent Director in the Company due to his demise.

***** w.e.f 07.01.2022, Mrs. Seethalakshmi Venkataraman ceased to be Non - Executive Independent Director in the Company due to her demise.

Note 43 : Financial Instruments

Particulars	Notes	31 March, 2022			31 March, 2021		
		FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets							
Investment							
Equity Shares (Quoted)	4	339.27	-	-	172.70	-	-
Equity Shares (Unquoted)	4	-	-	-	178.88	-	-
Loans and Advances	12	-	-	8.49	-	-	11.43
Trade Receivables	5,9	-	-	1,263.53	-	-	1,447.52
Cash and Bank Balances	10,11	-	-	354.48	-	-	445.74
Other Financial Assets	6,13	-	-	12.79	-	-	44.56
Total Financial Assets		339.27	-	1,639.29	351.58	-	1,949.27
Financial Liabilities							
Borrowings	18,20	-	-	228.50	-	-	522.85
Trade Payables	21	-	-	749.50	-	-	649.79
Other Financial Liability	22	-	-	233.51	-	-	329.44
Total Financial liabilities		-	-	1,211.51	-	-	1,502.08

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, 2022

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in:					
Equity Instruments	4	339.27	-	-	339.27

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

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in:					
Equity Instruments	5	172.70	-	178.88	351.58

During the year ended 31.03.2022, 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 44: Impact of COVID-19 Pandemic

The Company has incurred losses during the current year amounting to ₹ 332.35 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 ₹ 987.02 Lakhs and a net current asset position of ₹ 157.23 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, 2022.

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 45 : 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 provides 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 46 : Other Disclosure

1. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company do not have any transactions with companies struck off.
3. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

7. The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

8. The Company has not been declared willful defaulter by any Banks/Financial Institutions.

Note 47: Key Ratios

Particulars	2021-22	2020-21
Current Ratio	1.13	1.13
Debt-Equity Ratio	1.48	1.44
Debt Service Coverage Ratio	(2.23)	(0.65)
Return on Equity Ratio	-33.58%	-2.25%
Inventory Turnover Ratio	1.65	3.32
Trade Receivables Turnover Ratio	0.50	0.41
Trade payables Turnover Ratio	0.59	0.10
Net Capital Turnover Ratio	4.33	5.92
Net Profit Ratio	-48.86%	-3.27%
Return on Capital Employed	-45.63%	-20.01%
Return on Investment	49.10%	31.90%

Explanation to the ratios:

Current Ratio: Current assets (numerator) include trade receivables, short term investments, cash and cash equivalents, and other current assets. Current liabilities (denominator) includes trade payables, lease liability, other financial liabilities, provisions and statutory dues.

Debt-Equity Ratio: Total liabilities (numerator) includes current liabilities as defined above, lease liability, equity share capital and other equity. Total Equity (Denominator) includes Equity share capital and other equity.

Debt Service Coverage Ratio: Net operating income (numerator) includes earning before interest and taxes. Debt service (denominator) includes lease payments.

Return on Equity Ratio: Net income (numerator) is net profit earned after tax. Average shareholder's equity (denominator) includes equity share capital.

Trade Receivables Turnover Ratio: Net Sales (numerator). Average Trade Receivables (denominator).

Trade Payables Turnover Ratio: Net Credit Purchase (numerator). Average Trade Payables (denominator).

Net Capital Turnover Ratio: Numerator contains net revenue. Net working capital (denominator) calculated by subtracting current liabilities from current assets.

Net Profit Ratio: Numerator contains net profit. Denominator contains net sales.

Return on Capital Employed: Numerator contains earning before interest and taxes. Capital employed (denominator) calculated by subtracting current liabilities from total assets.

Return on Investment: Numerator contains change in investment. Denominator contains cost of investment.

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)

Dr. Sanjeev Kumar (DIN: 00364416)
Rajiv Chandra Rastogi (DIN: 00035460)
Naresh Kumar Verma (DIN: 07087356)
Preeti Goel (DIN: 09561869)
Directors

Sanjay Nath
Partner
Membership No. 082700

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Kailash Chandra Yadav
Chief Financial Officer
(PAN: AAAPY0255B)

Neha Patwal
Company Secretary
(PAN: ESRPP5275F)

Date: 30 May, 2022

Form ISR – 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES/UPDATION THEREOF

[For Securities (Shares/Debentures/Bonds, etc.) of the Company held in physical form]

Date: ____/____/____

A. I/We request you to Register/Change/Update the following (Tick ✓ relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Postal Address
<input type="checkbox"/> Bank details	<input type="checkbox"/> E-mail address
<input type="checkbox"/> Signature	<input type="checkbox"/> Mobile number
<input type="checkbox"/> Demat Account details	

B. Security Details:

Name of the Issuer Company	BHARAT GEARS LIMITED	Folio No.:
Name(s) of the Security holder(s) as per the Certificate(s)		1. 2. 3.
Number & Face value of securities		
Distinctive number of securities		From To

C. I/We are submitting documents as per Table below (tick ✓ as relevant, refer to the instructions):

✓	Document/Information/ Details	Instruction/Remark
1.	PAN of (all) the (joint) holder(s)	
	PAN Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> Yes <input type="checkbox"/> No	<div> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </div> <p>PAN shall be valid only if it is linked to Aadhaar by March 31, 2022* For Exemptions/Clarifications on PAN, please refer to Objection Memo in page 4</p>
2.	Demat Account Number	Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.
3.	Proof of Address of the first holder	<p>Provide any one of the documents, only if there is change in the address;</p> <ul style="list-style-type: none"> Client Master List (CML) of your Demat Account, provided by the Depository Participant Valid Passport/Ration Card/Registered Lease or Sale Agreement of Residence/ Driving License/Flat Maintenance bill. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions. For FII/sub account, Power of Attorney given by FII/sub- account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken. The proof of address in the name of the spouse

Form ISR – 2

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

Confirmation of Signature of securities holder by the Banker

1. Bank Name and Branch		
2. Bank contact details		
Postal Address		
Phone number		
E-mail address		
3. Bank Account number		
4. Account opening date		
5. Account holder(s) name(s)	1) 2) 3)	
6. Latest photograph of the account holder(s)		
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;">1st Holder</div> <div style="border: 1px solid black; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;">2nd Holder</div> <div style="border: 1px solid black; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;">3rd Holder</div> </div>		
7. Account holder(s) details as per Bank Records		
a) Address		
b) Phone number		
c) Email address		
d) Signature(s)		
1)	2)	3)
<div style="border: 1px solid black; width: 150px; height: 40px; margin: 0 auto;"></div>	<div style="border: 1px solid black; width: 150px; height: 40px; margin: 0 auto;"></div>	<div style="border: 1px solid black; width: 150px; height: 40px; margin: 0 auto;"></div>
Seal of the Bank	Signature verified as recorded with the Bank	
(Signature)		
Place:	Name of the Bank Manager:	
	Employee Code:	
Date:	E-mail address:	



RAUNAQ EPC INTERNATIONAL LIMITED

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

Name of the company: **RAUNAQ EPC INTERNATIONAL LIMITED**

Address of the company: 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad - 121003

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 No.

(2) PARTICULARS OF NOMINEE/S —

- (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:

(3) IN CASE NOMINEE IS A MINOR--

- (a) Date of birth:
- (b) Date of attaining majority
- (c) Name of guardian:
- (d) Address of guardian:

Name(s) and Address of Security holders(s)

Signature(s)

Sole / First Holder Name: _____

Address: _____

Second Holder Name: _____

Address: _____

Third Holder Name: _____

Address: _____

Name and Address of Witness	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]

Name of the company: **RAUNAQ EPC INTERNATIONAL LIMITED**

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 No.

(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:

Name(s) and Address of Security holders(s)

Signature(s)

Sole / First Holder Name: _____

Address: _____

Second Holder Name: _____

Address: _____

Third Holder Name: _____

Address: _____

Name and Address of Witness	Signature

Form ISR - 3

Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

[Under Section 72 r/w Section 24 (1) (a) of Companies Act, 2013 r/w Section 11(1) and 11B of SEBI Act, 1992 and Clause C in Schedule VII and Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

RAUNAQ EPC INTERNATIONAL LIMITED

20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad - 121003

I / we the holder(s) of the securities particulars of which are given hereunder, **do not wish to nominate** any person(s) in whom shall vest, all the rights in respect of such securities in the event of my /our death.

PARTICULARS OF THE SECURITIES (in respect of which nomination is being opted out)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

I/ we understand the issues involved in non-appointment of nominee(s) and further are aware that in case of my/our death, my / our legal heir(s) / representative(s) are required to furnish the requisite documents/details, including, Will or documents issued by the Court like Decree or Succession Certificate or Letter of Administration/Probate of Will or any other document as may be prescribed by the competent authority, for claiming my / our aforesaid securities.

Name(s) and Address of Security holders(s)

Signature(s)

Sole/First Holder Name: _____

Address: _____

Second Holder Name: _____

Address: _____

Third Holder Name: _____

Address: _____

Name and Address of Witness	Signature



RAUNAQ EPC INTERNATIONAL LIMITED

REGD. OFF.: 20 K.M., Mathura Road, P. O. Amar Nagar, Faridabad - 121 003 (Haryana)

www.raunaqinternational.com

CIN: L51909HR1965PLC034315