



RAUNAQ INTERNATIONAL LIMITED
(Formerly known as Raunaq EPC International Limited)

ANNUAL REPORT

2023-24

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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 International Limited (RIL) (Formerly known as Raunaq EPC International Limited) 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**

CLIENTELE

OPERATIONAL HIGHLIGHTS

PROJECTS EXECUTION

In terms of the execution, the Company successfully finished the tasks associated with previous jobs and has obtained the completion certificate as proof of their accomplishment.

- During the FY 2023-24, the Company successfully secured a contract of Rs. 14.98 crores for the provision of services including receipt, unloading, storage, handing at the site fabrication, erection & installation, painting and coating, inspection testing & commissioning of circulation water (CW) and Auxiliary cooling water (ACW) and Raw Water (RW) system. This encompasses pipes, fitting, valves and accessories for the 2x800 MW (Phase II) Mahan Ultra Supercritical Thermal Power Project situated in village Bandhaura, Singrauli, Madhya Pradesh.





Chairman's Message

Dear Shareholders,

Greetings to all of you, with great pride and gratitude, I present to you the 59th Annual Report of Raunaq International Limited for FY 2023-24.

The past few years have tested the resilience of individuals and businesses at an unprecedented level. It was also the same at Raunaq International. The Company has shown its commitment to emerge out of the past ordeal and moving towards diversified portfolio for a sustained growth going forward.

I am delighted to share that, despite navigating through global economic challenges, the Indian economy showcased remarkable resilience, achieving a robust growth of 7.6% in FY 2023-24. India's continued status as the world's fastest-growing major economy speaks volumes about our robust domestic demand, supportive government policies and substantial foreign direct investment (FDI) inflows. Amidst global supply chain disruptions, the adoption of the 'China Plus One' strategy to reduce dependency on China has gained traction.

The Government of India's efforts to boost infrastructure development while undertaking fiscal consolidation and provide an enabling business environment will help in increased manufacturing competitiveness to augment exports and drive future growth.

The triggers for growth in FY 2024-25 will come from higher capital expenditure on infrastructure development both by central and state governments, rise in private corporate investment, strong service sector performance and improved consumer confidence.

The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. Infrastructure support to the nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical. The infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure, and construction development projects.

To meet India's aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of the infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone towards funding for transportation, electricity, and water, and irrigation.

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.

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 Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30. While these sectors still remain the key focus, the government has also started to focus on other sectors as India's environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life, and boost sectoral competitiveness.

Power is among the most critical components of infrastructure, crucial for the economic growth and welfare of nations. The fundamental principle of India's power industry has been to provide universal access to affordable power in a sustainable way. The Ministry of Power has made significant efforts over the past few years to turn the country from one with a power shortage to one with a surplus by establishing a single national grid, fortifying the distribution network, and achieving universal household electrification. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power, to viable non-conventional sources such as wind, solar, agricultural and domestic waste. India was ranked fourth in wind power capacity and solar power capacity and fourth in renewable power installed capacity, as of 2021. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

Power is one of the most important infrastructure elements, essential to national wellbeing and economic development. For the Indian economy to grow steadily, enough electrical infrastructure must exist and be developed. India's power generation sources 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.

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.

The Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022. It also plans to set up 21 new nuclear power reactors with a total installed capacity of 15,700 MW by 2031.

The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. Also, by 2029-30, CEA estimates that the share of renewable energy generation would increase from 18% to 44%, while that of thermal energy is expected to reduce from 78% to 52%.

During the Financial Year 2023-24, despite the Company's difficulty to arrange for Bank Guarantees due to strict Banking Norms for EPC Industry, the Company has quoted for few tenders and out of them, the Company has successfully secured a work order for "2x800 MW (Phase-II) Mahan Ultra Supercritical Thermal Power Project, Village: Bandhaura, District: Singrauli, Madhya Pradesh" amounting Rs. 14.98 Crores which will reflect in revenues in FY 2024-25.

During the year under review, as there were not much pendency in the existing jobs so major revenues booked from the trading activity hence there is a downturn in the total revenue of the Company from Rs. 778.96 Lakhs in FY 2022-23 to Rs. 465.11 Lakhs in FY 2023-24.

To sustain the overall growth of the Company, the Company has diversified into trading activities in the auto component business apart from continuing bidding for EPC contracts which the Company is confident of obtaining contracts of reasonable value for which bank guarantees can easily being arranged. Due to this reason the name of the Company has been changed from Raunaq EPC International Limited to Raunaq International Limited.

The Company will cautiously quote for new tenders in EPC business going forward and would utilize the long drawn experience of the EPC business. Simultaneously the Company further has explored possibilities in the trading business which cater to the auto component business which would also add to the revenues of the Company.

We will constantly strive for timely execution of jobs with best engineering capabilities available and we are also focusing on the trading business/machining activities along with the EPC projects which can be manageable with the available banking facilities.

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.

Regards,



Surinder Paul Kanwar
Chairman and Managing Director

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

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

Mr. Naresh Kumar Verma

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Naresh Kumar Verma

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

AUDITORS

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

CHIEF FINANCIAL OFFICER

Ms. Neha Patwal (W.e.f. 14 August, 2023)

Mr. Kailash Chandra Yadav (Upto 27 June, 2023)

COMPANY SECRETARY

Ms. Neha Patwal

BANKERS

State Bank of India

IndusInd Bank Ltd.

Punjab National Bank

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

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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 2023-24.

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

Global recovery is steady but slow and differs by region.

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now at 3.1 percent is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

The Global Economy has been surprisingly resilient, despite significant Central Bank Interest rate hikes to restore price stability. Changes in mortgage and housing markets over the pre pandemic decade of low interest rates moderated the near-term impact of policy rate hikes. The lower predicted growth in output per person stems, notably, from persistent structural frictions preventing capital and labour from moving to productive firms. Further, the dimmer prospects for growth in China and other large emerging market economies will weigh on trading partners.

Global Economic Growth

(in %)

Output	2023	2024P	2025P
World output	3.20	3.20	3.20
Advanced Economies	1.60	1.70	1.80
Emerging Market and Developing Economies (EMDEs)	4.30	4.20	4.20

P = Projections

Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

Indian Economy

The Asian Development Bank (ADB) upgrades India's gross domestic product (GDP) growth forecast for fiscal year (FY) 2024 ending on 31 March, 2025 from 6.7% to 7% and 7.2% in FY 2025, driven by robust public and private investment and strong services sector.

The triggers for growth in FY 2024 has come from higher capital expenditure on infrastructure development both by central and state governments, rise in private corporate investment, strong service sector performance and improved consumer confidence. Growth momentum will

pick up in FY 2025 backed by improved goods exports and an increase in manufacturing productivity and agricultural output.

A senior official of ADB said "Notwithstanding global headwinds, India remains the fastest growing major economy on the strength of its strong domestic demand and supportive policies". The Government of India's efforts to boost infrastructure development while undertaking fiscal consolidation and provide an enabling business environment will help in increased manufacturing competitiveness to augment exports and drive future growth.

A healthy rise of 17% in central government capital expenditure in FY 2024 compared to the previous fiscal year together with transfers to state governments will boost infrastructure investment. A new government initiative to support urban housing for middle-income households is expected to further spur housing growth. Private corporate investment is expected to get a boost with stable interest rates. With inflation moderating to 4.6% in FY 2024 and easing further to 4.5% in FY 2025, monetary policy may become less restrictive, which will facilitate rapid offtake of bank credit. Demand for financial, real estate and professional services will grow while manufacturing will benefit from muted input cost pressures that will boost industry sentiment. Expectations of a normal monsoon will help boost growth of the agriculture sector.

The government's focus on fiscal consolidation, with a targeted deficit of 5.1% of GDP for FY 2024 and 4.5% for FY 2025, will enable the government to reduce its gross marketing borrowing by 0.9% of GDP in FY 2024 and create further room for private sector credit. India's current account deficit will widen moderately to 1.7% of GDP on rising imports for meeting domestic demand. Foreign direct investment will be affected in the near term due to tight global financial conditions but will pick up in FY 2025 with higher industry and infrastructure investment. Goods exports will also be affected by lower growth in advanced economies but pick up in FY 2025 as global growth improves.

Source: <https://www.adb.org/news/adb-projects-indias-economy-grow-steadily-7-fy-2024>

INDUSTRY OVERVIEW

Infrastructure Sector

Introduction

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress.

The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway.

Infrastructure support to the nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical.

The "Smart Cities Mission" and "Housing for All" programmes have benefited from these initiatives.

The infrastructure sector is a key driver of the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. The infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure, and construction development projects.

To meet India's aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of the infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone towards funding for transportation, electricity, water and irrigation.

While these sectors still remain the key focus, the government has also started to focus on other sectors as India's environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increased quality of life, and boost sectoral competitiveness.

GOVERNMENT INITIATIVES

In Union Budget 2023-24, some key initiatives of the government in the infrastructure sector are as follows:

- Capital investment outlay for infrastructure is being increased by 33% to Rs. 10 lakh crore (US\$ 122 billion), which would be 3.3 per cent of GDP and almost three times the outlay in 2019-20.
- In recent years, there has been a substantial increase in the pace of construction of national highways, from an average of 12 kilometres per day in 2014-15 to around 29 kilometres per day in 2021-22.

- As per the Union Budget 2023-24, a capital outlay of Rs. 2.40 lakh crore (US\$ 29 billion) has been provided for the Railways, which is the highest ever outlay and about 9 times the outlay made in 2013-14.
- 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and will be taken up on priority with investment of Rs. 75,000 crore (US\$ 9 billion), including Rs. 15,000 crore (US\$ 1.8 billion) from private sources.
- 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
- An Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall, which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.
- Since 2016-17, the budget for the Pradhan Mantri Awas Yojana, the flagship housing scheme of the government, has increased 280% from Rs. 20,936 crore (US\$ 2.5 billion) in the revised estimates of 2016-17 to Rs. 79,590 crore (US\$ 9.6 billion) in the latest 2023-24 budget.
- The Awas Yojana budget estimate for 2023-24 constitutes an allocation of Rs. 25,103 crore (US\$ 3 billion) to Pradhan Mantri Awas Yojana-Urban and Rs. 54,487 crore (US\$ 6.5 billion) to Pradhan Mantri Awas Yojana-Gramin.

The Road Ahead

India's Infrastructure forms an integral part of the country's economic ecosystem. There has been a significant shift in the industry that is leading to the development of world class facilities across the country in the areas of roads, waterways, railways, airports, and ports, among others. The country wide smart cities programmes have proven to be industry game changers. Given its critical role in the growth of the nation, the infrastructure sector has experienced a tremendous boom because of India's necessity and desire for rapid development. The expansion has been aided by urbanisation and an increase in foreign investment in the sector.

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 Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30.

India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major,

developing economies, according to S&P Global Ratings. 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/industry/infrastructure-sector-india>

POWER SECTOR

Introduction

Power is among the most critical components of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. The fundamental principle of India's power industry has been to provide universal access to affordable power in a sustainable way. The Ministry of Power has made significant efforts over the past few years to turn the country from one with a power shortage to one with a surplus by establishing a single national grid, fortifying the distribution network, and achieving universal household electrification.

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

India was ranked fourth in wind power capacity and solar power capacity and fourth in renewable power installed capacity, as of 2021. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

Market Size

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 426.13 GW as of 30 November, 2023.

As of 30 November, 2023, India's installed renewable energy capacity (including hydro) stood at 179.57 GW, representing 42.1% of the overall installed power capacity. As of 30 November, 2023, Solar energy contributed 72.31 GW, followed by 44.56 GW from wind power, 10.26 GW from biomass, 4.98 GW from small hydropower, 0.57 from waste to energy, and 46.88 GW from hydropower.

The non-hydro renewable energy capacity addition stood at 15.27 GW in FY 23, up from 14.07 GW in FY 22.

India's power generation witnessed its highest growth rate in over 30 years in FY 23. Power generation in India increased

by 8.87% to 1,624.15 billion kilowatt-hours (kWh) in FY 23. According to data from the Ministry of Power, India's power consumption stood at 130.57 BU in April, 2023.

The peak power demand in the country stood at 243.27 GW in November, 2023.

The coal plants registered a PLF of 73.7% for the first nine months period in FY 23 compared to 68.5% in FY 22 for the same period.

Thermal power plant load is estimated to improve by 63% in FY 24, fuelled by strong demand growth along with subdued capacity addition in the sector.

Developments/Investments Scenario

Total FDI inflows in the power sector reached US\$ 18.17 billion between April 2000-December 2023, accounting for 2.73% of the total FDI inflow in India.

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

- Cumulative FDI inflow in the power sector stood at US\$ 18.17 billion between April 2000-December 2023.
- India has received a cumulative amount of US\$ 3.8 billion in foreign direct investment (FDI) in the solar energy sector over the past three fiscal years and FY 2023-24 until September, 2023.
- India ranked fourth in the list of countries to make significant investments in renewable energy by allotting US\$ 77.7 billion between 2015 and 2022.
- In FY 24 (until November 2023), the power generation in India was 1,176.13 BU.
- India's electricity generation from renewable and non-renewable sources for FY 21, FY 22, and FY 23 was 1,373.08 BU, 1,484.36 BU, and 1,617.72 BU, respectively.
- The power generation industry in India will require a total investment of Rs. 33 lakh crore (US\$ 400 billion) and 3.78 million power professionals by 2032 to meet the rising energy demands, as per the National Electricity Plan 2022-32.
- By 2031, the current installed nuclear power capacity is expected to rise from 7,480 MW to 22,480 MW because of the progressive completion of projects under construction and accorded sanction.
- India has the potential to attract an investment of over US\$ 20 billion in renewables in 2023.

The Road Ahead

In the current decade (2020-29), the Indian electricity sector is likely to witness a major transformation with respect to demand growth, energy mix and market operations. India wants to ensure that everyone has reliable access

to sufficient electricity at all times, while also accelerating the clean energy transition by lowering its reliance on dirty fossil fuels and moving towards more environment friendly, renewable sources of energy. Future investments will benefit from strong demand fundamentals, policy support and increasing government focus on infrastructure.

The Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022. It also plans to set up 21 new nuclear power reactors with a total installed capacity of 15,700 MW by 2031.

The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. Also, by 2029-30, CEA estimates that the share of renewable energy generation would increase from 18% to 44%, while that of thermal energy is expected to reduce from 78% to 52%.

The government plans to establish renewable energy capacity of 500 GW by 2030.

Source: <https://www.ibef.org/industry/power-sector-india>

COMPANY REVIEW

During the year under review, there is a downturn in the total revenue of the Company from ₹ 778.96 Lakhs in FY 2022-23 to ₹ 465.11 Lakhs in FY 2023-24. During the Financial Year 2023-24, despite the Company's difficulty to arrange for Bank Guarantees due to strict Banking Norms for EPC Industry, the Company has quoted for few tenders and out of them, the Company has successfully secured a work order for "2x800 MW (Phase-II) Mahan Ultra Supercritical Thermal Power Project, Village: Bandhaura, District: Singrauli, Madhya Pradesh" amounting ₹ 14.98 Crores.

Due to unavailability of banking facilities, the Company was unable to bid for more new jobs during the year. Further, the Company has continued its trading and machining activities alongside EPC projects during the year to sustain a level of revenues and profitability of the Company.

Significant Changes in Key Financial Ratios during the Financial Year 2023-24

PARTICULARS	2023-24	2022-23	% Change in Ratios	Remarks
Debtor Turnover Ratio	1.24	0.72	71%	Company realised/ settled majority of its debtors during the year.
Inventory Turnover Ratio	20.67	6.23	232%	Closing inventory is Nil.
Current Ratio	1.64	1.70	4%	Company realized from trade receivables increased during the year.

PARTICULARS	2023-24	2022-23	% Change in Ratios	Remarks
Debt Equity Ratio	-	0.03	-	During the year, Company paid all the borrowings.
Operating Profit Margin	19.94%	18.74%	6%	Operation margin increased during the year.
Net Profit/Loss Margin	-29.14%	-41.25%	29%	Company's losses have declined during the year.

OUTLOOK

Going forward, Raunaq International intends to tactfully approach new EPC tenders while leveraging its extensive experience in the field. The Company has successfully secured a work order for "2x800 MW Phase-II) Mahan Ultra Supercritical Thermal Power Project, Village: Bandhaura, District: Singrauli, Madhya Pradesh" amounting ₹ 14.98 Crores. The Company is confident of getting similar jobs for which the Company is in the process of bidding. The Company also seeks to explore opportunities within the trading and machining sectors, particularly in the auto component industry. Our commitment lies in timely project execution, fueled by top-notch engineering capabilities. We are equally dedicated to advancing our trading and machining activities alongside our EPC projects, all within the confines of our available banking facilities.

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 not only applying for new jobs in thermal power cautiously but also diversified in the steel trading.

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. Due to covid few jobs had been completed with delay and now the progress 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.

Fraud risk:

RIL can not 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 RIL 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 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 auditor is submitted to the management on a quarterly 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 expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in India's political and economic environment, exchange rate fluctuations, tax laws, litigation, labour relations, and interest costs.

BOARD'S REPORT

(SECTION 134 OF THE COMPANIES ACT, 2013)

To The Members

Raunaq International Limited

(Formerly known as Raunaq EPC International Limited)

Your Directors have pleasure in presenting the 59th Annual Report of your Company together with the Audited Financial Statements and the Auditors' Report thereon for the Year ended 31 March, 2024.

FINANCIAL RESULTS

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

(₹/Lakhs)

Financial Results		
Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue from Operations and other income	465.11	778.96
Profit before Finance Cost and Depreciation	(101.73)	(224.01)
Finance Cost	7.48	33.38
Depreciation	13.52	25.15
Profit Before Tax	(122.73)	(282.54)
Less: Tax Expense	(15.84)	(44.54)
Profit for the Year	(106.89)	(238.00)
Other Comprehensive Income		
Items that will not be reclassified to Profit and Loss (net of tax)	2.61	7.61
Total Comprehensive Income for the year	(104.28)	(230.39)

(₹/Lakhs)

Surplus in Statement of Profit and Loss		
	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening balance	(1266.06)	(1035.67)
Add: Profit for the year	(104.28)	(230.39)
Less:		
Proposed Dividend-Equity	-	-
Tax on distributed profits	-	-
Transferred to General Reserve	-	-
Closing Balance	(1370.34)	(1266.06)

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, 2024.

Business Operations

During the year under review, there is a downturn in the total revenue of the Company from ₹ 778.96 Lakhs in FY 2022-23 to ₹ 465.11 Lakhs in FY 2023-24. During the Financial Year 2023-24, despite the Company's difficulty to arrange for Bank Guarantees due to strict Banking Norms for EPC Industry, the Company has quoted for few tenders and out of them, the Company has successfully secured a work order for "2x800 MW (Phase-II) Mahan Ultra Supercritical Thermal Power Project, Village: Bandhaura, District: Singrauli, Madhya Pradesh" amounting ₹ 14.98 Crores.

Due to unavailability of banking facilities, the Company was unable to bid for more new jobs during the year. Further, the Company has continued its trading and machining activities alongside EPC projects during the year to sustain a level of revenues and profitability of the Company.

Future Outlook

Going forward, Raunaq International intends to tactfully approach new EPC tenders while leveraging its extensive experience in the field. The Company also seeks to explore opportunities within the trading and machining sectors, particularly in the auto component industry. Our commitment lies in timely project execution, fueled by top-notch engineering capabilities. We are equally dedicated to advancing our trading and machining activities alongside our EPC projects, all within the confines of our available banking facilities.

Change of Name of the Company

With an initiative towards the vision of diversification of the Company's operations into additional areas along with EPC business, alongside an objective to depict the name and activities of the Company in accordance with the diversified business activities of the Company, the name of the Company has been changed from "Raunaq EPC International Limited" to "Raunaq International Limited" with effect from 10 January, 2024 thereby deleting the term "EPC" (Engineering, Procurement and Construction) from the old name of the Company, pursuant to the requisite approval of the Board of Directors and members of the Company and further approval of the Ministry of Corporate Affairs (MCA).

Indian Accounting Standards ("Ind AS")

The financial statements for the year ended 31 March, 2024 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:-

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2024 and of the Profit and Loss of the Company for the period ended on that date;
- 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;

- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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 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 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the related party transaction policy of the Company. Thus, there are no transactions which are required to be reported in the prescribed Form AOC-2 of the Companies (Accounts) Rules, 2014.

Further, during the Financial Year 2023-24, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

As all the related party transactions are at arm's length price and in the ordinary course of business, the same are placed before the Audit Committee for its approval. There was no related party transaction which requires approval of the Board. During the Financial Year under review, the Audit Committee has approved the related party transactions through the omnibus mode in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in the Notes forming part of the Financial Statements.

The policy on Related Party Transactions as approved by the Board in terms of provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com/pdf/related_party_transactions_policy.pdf) 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 19 September, 2023 approved the:

- Re-appointment of Mr. Naresh Kumar Verma as a Non-Executive Director of the Company liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013 upto the conclusion of the 59th AGM of the Company in the Calendar year 2024.

In terms of the provisions of Section 149 of the Companies Act, 2013, Mr. Rajiv Chandra Rastogi had been appointed as a Non-Executive Independent Director on the Board of the Company at the Annual General Meeting (AGM) of the Company held on 05 August, 2019 for a period of 5 (Five) years upto the conclusion of the 59th AGM of the Company in the Calendar year 2024.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, it has been proposed to re-appoint Mr. Rajiv Chandra Rastogi as a Non-Executive Independent Director at the ensuing Annual General Meeting (AGM) of the Company for a period of 5 (Five) years upto the conclusion of the 64th AGM of the Company in the Calendar year 2029 by way of special resolution pursuant to the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, as the age of Mr. Rajiv Chandra Rastogi will be more than seventy five years during his proposed tenure.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Rajiv Chandra Rastogi as candidate for the office of Non-Executive Independent Director of the Company.

Further, 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 2023-24, 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:-

- 29 May, 2023;
- 14 August, 2023;
- 01 November, 2023; and
- 09 February, 2024

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, 2024 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 2023-24, 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 2023-24 are available on the official website of the Company [www.raunaqinternational.com](https://www.raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors-FY-23-24.pdf) under the link: <https://www.raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors-FY-23-24.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](http://www.raunaqinternational.com/pdf/nomination-and-remuneration-policy.pdf) 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 09 February, 2024 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. Ms. Neha Patwal | Company Secretary and (CFO) |

During the period under review, Mr. Rajan Malhotra ceased to be Chief Executive Officer (CEO) of the Company with effect from 31 May, 2023 due to his retirement. Further, Mr. Kailash Chandra Yadav ceased to be Chief Financial Officer (CFO) of the Company with effect from 27 June, 2023 due to his demise.

Pursuant to the cessation of Mr. Kailash Chandra Yadav as Chief Financial Officer (CFO) of the Company with effect from 27 June, 2023, Ms. Neha Patwal, Company Secretary of the Company has been designated as Chief Financial Officer (CFO) of the Company with effect from 14 August, 2023.

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-“A”** 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 containing particulars of top ten employees in terms of the remuneration drawn and employees drawing remuneration in excess of the limits set out in Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided as part of the Board's Report. However, in terms of provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to all the members of the Company and others entitled thereto, excluding the said statement. Any member interested in obtaining such particulars may write at secretarial@raunagintl.com. The said information is also available for inspection at the Registered Office of the Company during working hours till the date of Annual General Meeting.

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.raunaginternational.com.

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

The role of the Corporate Social Responsibility Committee includes:

- (a) 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.

- (b) Monitoring the Corporate Social Responsibility Policy and annual action plan of the Company from time to time.
- (c) Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- (d) Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

As per the provisions of Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR activities during the Financial Year 2023-24 in terms of loss incurred during the Financial Year 2022-23.

Audit Committee

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

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, 2024, no complaint pertaining to sexual harassment was received by ICC.

Subsidiaries/Joint Ventures/Associate Companies

During the year under review, no Company has become or ceased to be subsidiary, joint venture or 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 2015-16 amount aggregating to Rs. 2,36,839.20 (Rupees Two Lakhs Thirty Six Thousand Eight Hundred Thirty Nine and Paise Twenty Only) and 2,903 (Two Thousand Nine Hundred Three) 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/N500050) had been re-appointed as the Statutory Auditors of the Company in the 57th Annual General Meeting held on 19 September, 2022 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 57th AGM till 62nd AGM in the calendar year 2027.

Report on Financial Statements

The report of M/s B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Registration No. 001035N/N500050), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2024 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 2023-24 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, 2024 in the prescribed Form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure -"B"** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

Internal Financial Controls and their Adequacy

The Company has a proper and adequate system of internal financial controls which includes the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting

records and the timely preparation of reliable financial information. During the year, such controls were tested and no material weakness in the design or operations were observed.

Maintenance of Cost Records

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

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The provisions of Regulation 15(2) of the Regulations w.r.t. Corporate Governance requirements are not applicable to the Company for the Financial Year 2023-24 as the paid up equity share capital and net worth of the Company as on 31 March, 2023 stood at ₹ 334.32 Lakhs and ₹ 756.63 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 2023-24, the report on Corporate Governance as stipulated under Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2015, the Company has established an effective mechanism called Vigil Mechanism (Whistle Blower Mechanism). The mechanism under the Policy has been appropriately communicated with in 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 with in 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 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.

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	2023-24	2022-23
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: <https://www.raunaqinternational.com/pdf/annual-return-for-2023-24.pdf>

Compliance of Secretarial Standards

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

Court/Tribunal Orders

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

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

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

Instances of Difference in Valuation

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

Acknowledgements

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

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director

Dated: 30 May, 2024

DIN: 00033524

Annexure-“A”

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 2023-24 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 2023-24
1.	Mr. Rajan Malhotra Chief Executive Officer	0.00*
2.	Mr. Kailash Chandra Yadav Chief Financial Officer	0.00**
3.	Ms. Neha Patwal Company Secretary and (CFO)	0.00***

* Mr. Rajan Malhotra ceased to be Chief Executive Officer (CEO) of the Company with effect from 31 May, 2023 due to his retirement.

** Mr. Kailash Chandra Yadav ceased to be Chief Financial Officer (CFO) of the Company with effect from 27 June, 2023 due to his demise.

*** Drawn remuneration of Rs. 25,000/- per month as contractual fees for professional services.

3. The percentage increase in the remuneration of the median employee is (32.15)% in the Financial Year 2023-24.
4. There were 7 permanent employees on the rolls of the Company as on 31 March, 2024.
5. There average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2023-24 was 2.43% and average percentage increase in the managerial remuneration of persons referred in point no. 2 is (61.49)% in the Financial Year 2023-24.
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, 2024

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2024

[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 International Limited

(Formerly known as 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 INTERNATIONAL LIMITED (Formerly known as 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, 2024 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 there under, 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/issue of shares in dematerialised form for investor service requests;

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 58th Annual General Meeting of the Company was held on 19th September, 2023.

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, 2024 according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- 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 (Buyback 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, 1986;
- The Child Labour (Regulation and Abolition), Act 1970;

- The Weekly Holiday Act, 1942;
- The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013;
- The Electricity Act, 2003;
- The Micro, Small and Medium Enterprises Development Act, 2006;
- The Information Technology Act, 2000;
- Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

Managerial Personnel of the Company:

Sl.no.	Name of Director/KMP	Date of Change	Particulars of Change
1.	Mr. Rajan Malhotra (Chief Executive officer)	31 May, 2023	Cessation
2.	Mr. Kailash Chandra Yadav (Chief Financial Officer)	27 June, 2023	Cessation
3.	Ms. Neha Patwal (Chief Financial Officer)	14 August, 2023	Change in Designation from "Company Secretary" to "Company Secretary and (CFO)"

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.	Nomination and Remuneration Committee	To consider and recommend the designation of Ms. Neha Patwal, Company Secretary of the Company as Chief Financial Officer (CFO) of the Company	04 August, 2023	14 August, 2023
2.	Audit Committee	To review the ongoing related party transactions between the company and its related parties	29 March, 2024	30 May, 2024

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 is a legal suit filed by Mr. Sachit Kanwar against the Company, Mr. Surinder Paul Kanwar and Mr. Sameer Kanwar and the same is informed to the Stock exchange under regulation 30A of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
- The Company has changed its name from "Raunaq EPC International Limited" to "Raunaq International

Limited", which is in line with the current business activities of the Company.

- 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.: F12260

CP No.: 18788

PRC.No: 5708/2024

UDIN: F012260F000452854

Place: Delhi

Date: 27.05.2024

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

'ANNEXURE A'

To

The Members

Raunaq International Limited

(Formerly known as 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.

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

- Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 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
- 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.: F12260

CP No.: 18788

PRC.No: 5708/2024

UDIN: F012260F000452854

Place: Delhi

Date: 27.05.2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAUNAQ INTERNATIONAL LIMITED

Report on the audit of the Financial statements

We have audited the financial statements of Raunaq International Limited (Formerly known as Raunaq EPC International Limited) ("the Company"), which comprise the Balance Sheet as at 31 March, 2024, 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 material 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") other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2024, and its profit, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matters:

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue from Operations</p> <p>The Company recognizes revenues in the year in which the services are rendered and auto parts are traded. In fixed price contract, revenue is recognized based on percentage of completion of service (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 and for trading auto parts revenue is recognized at the time goods have been delivered to the customers.</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> <p>The terms of sales arrangements, including the timing of transfer of control, actual work done, estimates of revenue and costs and extent of progress create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'; • Assessed the design and tested the operating effectiveness of internal controls related to sales and costs; • Performed sample tests of individual sales transaction and traced to sales invoices, sale contracts, project progress and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales agreements; • Assessed the relevant disclosures made in the Standalone 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.

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.

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 except for the matters stated in paragraph 2(h)(vi) below on reporting under the Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 (amended).
- (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 accounts.
- (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, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 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 has disclosed impact of pending litigation on its financial position in its financial statements Refer Note-36 to the financial statements;
 - ii. The Company did not have any long-term contracts including any derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year;
 - 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.

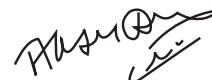
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or 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.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. [Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.]

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050



Akshay Maheshwari

Partner

Membership No.504704

UDIN: 24504704BKEIST3223

Place: New Delhi
Date: 30 May, 2024

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)

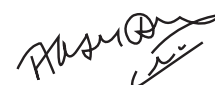
- i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property plant and equipment.
(B) The Company does not have intangible assets during the financial year ended 31 March, 2024 therefore the question of our commenting on whether 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(i)(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 have Nil inventory as on 31 March, 2024. So, no Physical Verification has been conducted at the reporting date, i.e. 31 March, 2024. Therefore, we have nothing to report in this clause.
(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 are 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 2023-24, 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, 2024 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) 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 has 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) is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, the Company does not raised loans during the year on the pledge of securities held in its associate, hence clause 3(ix)(f) 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 up to the end of the financial year under audit prior to finalizing his 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) 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



Akshay Maheshwari

Partner

Membership No.504704

UDIN: 24504704BKEIST3223

Place: New Delhi

Date: 30 May, 2024

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 International Limited (Formerly known as Raunaq EPC International Limited) ("the Company") as of 31 March, 2024 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2024 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



Akshay Maheshwari

Partner

Membership No.504704

UDIN: 24504704BKEIST3223

Place: New Delhi

Date: 30 May, 2024

BALANCE SHEET

AS AT 31 MARCH, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	25.90	89.50
Financial Assets			
a. Investments	4	262.45	266.98
b. Trade Receivables	5	82.68	107.12
c. Other Financial Assets	6	1.03	1.03
Deferred tax assets (Net)	7	15.40	-
Total Non-Current Assets		387.46	464.63
Current Assets			
Inventories	8	-	35.48
Financial Assets			
a. Trade Receivables	9	196.89	215.98
b. Cash and Cash Equivalents	10	49.50	56.68
c. Bank Balances other than (b) above	11	257.23	320.24
d. Loans and Advances	12	0.02	1.14
e. Other Financial Assets	13	8.57	5.44
Current Tax Assets	14	3.09	9.84
Other Current Assets	15	168.28	164.09
Total Current Assets		683.58	808.89
Total Assets		1,071.04	1,273.52
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	334.32	334.32
Other Equity	17	318.04	422.31
Total Equity		652.36	756.63
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	18	-	25.00
Provisions	19	2.89	15.65
Deferred Tax Liability	7	-	0.44
Total Non-Current Liabilities		2.89	41.09
Current Liabilities			
Financial Liabilities			
a. Trade Payables	20		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
Total Outstanding Dues of other than Micro Enterprises and Small Enterprises		266.69	256.71
b. Other Financial Liabilities	21	59.88	108.91
Other Current Liabilities	22	14.28	28.68
Provisions	23	74.94	81.50
Total Current Liabilities		415.79	475.80
Total Liabilities		418.68	516.89
Total Equity and Liabilities		1,071.04	1,273.52
Material accounting policies and notes to financial statements	1-47		

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

Akshay Maheshwari

Partner

Membership No. 504704

Neha Patwal

Chief Financial Officer and Company Secretary
(PAN: ESRPP5275F)

Date: 30 May, 2024

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Revenue from operations	24	374.21	576.93
Other income	25	90.90	202.03
Total revenue/income		465.11	778.96
EXPENSES			
a. Cost of material consumed	26	366.75	361.81
b. Changes in Inventory of work-in-progress	27	-	73.20
c. Employee benefits expenses	28	56.98	181.22
d. Finance cost	29	7.48	33.38
e. Depreciation and amortization expenses	30	13.52	25.15
f. Decrease in fair value of investment		-	-
g. Allowance of Impairment loss		-	-
h. Other expenses	31	143.11	386.74
Total expenses		587.84	1,061.50
Profit/(Loss) before tax		(122.73)	(282.54)
Income tax expenses			
a. Current tax		-	-
b. Tax expense related to prior period		-	-
Net current tax	33	-	-
Deferred tax - charge/(credit)	33	(15.84)	(44.54)
Total tax expense		(15.84)	(44.54)
Profit/(Loss) for the year		(106.89)	(238.00)
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		2.61	7.61
Income tax effect		-	-
Other comprehensive income for the Year (net of tax) (a+b)		2.61	7.61
Total comprehensive income for the year		(104.28)	(230.39)
Earnings per equity share of [nominal value per share ₹ 10/- (31 March, 2023 : ₹ 10/-)]			
Basic earning per share	32	(3.20)	(7.12)
Diluted earning per share	32	(3.20)	(7.12)
Material accounting policies and notes to financial statements	1-47		

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

For B R Maheswari & Co LLP

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

Akshay Maheshwari

Partner

Membership No. 504704

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

Neha Patwal
Chief Financial Officer and Company Secretary
(PAN: ESRPP5275F)

For and on behalf of the Board of Directors

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

Date: 30 May, 2024

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	(122.73)	(282.54)
Adjustments for:		
Net (gain)/Loss on fair value of financial assets through Statement of Profit & Loss	4.54	(41.64)
Expected credit loss	(0.72)	110.00
Depreciation and amortization	13.52	25.15
Loss on sale of fixed Assets	15.45	16.73
Loss on disposal of assets	-	29.15
Interest and other charges	7.48	33.38
Interest Income	(20.29)	(13.45)
Profit on sale of assets	-	(1.39)
Profit on sale of Investment	-	-
Operating profit before working capital changes	(102.75)	(124.61)
Changes in working Capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	19.08	444.18
Inventories	35.48	45.11
Long Term loans & advances	-	-
Short term loans & advances	1.12	7.34
Non-current trade receivables	24.43	386.26
Other current financial assets	(3.11)	6.32
Other non current financial assets	-	-
Other current assets	6.75	40.24
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(39.05)	(492.83)
Provisions	(16.71)	(11.53)
Other current liabilities	(14.40)	(183.45)
Cash generated from operations	(89.16)	117.03
Direct Taxes paid (Net)	-	-
Net Cash from/(used) in operating activities	(89.16)	117.03
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(6.31)	-
Sale of fixed assets/Investments	37.49	128.82
Interest received	20.29	13.45
Redemption/(Investment) in deposits	60.64	(23.61)
Net Cash from/(used) in investment activities	112.11	118.66
C. CASH FLOW FROM FINANCING ACTIVITIES:		
(Repayments) of long term borrowings	(25.00)	(203.50)
Interest and other charges paid	(7.48)	(33.38)
Net Cash from/(used) in financing activities	(32.48)	(236.88)
Net increase/(decrease) in case and case equivalents	(9.53)	(1.19)
Opening balance of Cash and cash equivalents	59.04	60.23
Closing balance of Cash and cash equivalents	49.50	59.04

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2024.... 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, 2024	Year ended 31 March, 2023
(a) Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.17	1.09
Balance with scheduled banks:		
in current accounts	49.33	57.95
Cash and cash equivalents at the end of the year	49.50	59.04

(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 B R Maheswari & Co LLP

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

Akshay Maheshwari

Partner
Membership No. 504704

For and on behalf of the Board of Directors

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

Neha Patwal

Chief Financial Officer and Company Secretary
(PAN: ESRPP5275F)

Date: 30 May, 2024

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Amount
As at 31 March, 2023	16	334.32
Change in equity share capital		-
As at 31 March, 2024	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, 2022	0.67	162.43	1,525.27	(1,085.12)	49.45	652.70
Profit/(Loss) for the year	-	-	-	(238.00)	-	(238.00)
Re-measurement gains/(losses) on defined benefit plan	-	-	-	-	7.61	7.61
Total comprehensive income for the year	0.67	162.43	1,525.27	(1,323.12)	57.06	422.31
Transactions with owners in their capacity as owners:						
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	-
Balance at 31 March, 2023	0.67	162.43	1,525.27	(1,323.12)	57.06	422.31
Balance at 01 April, 2023	0.67	162.43	1,525.27	(1,323.12)	57.06	422.31
Profit/(Loss) for the year	-	-	-	(106.89)	-	(106.89)
Re-measurement gains/(losses) on defined benefit plan	-	-	-	-	2.61	2.61
Total comprehensive income for the year	0.67	162.43	1,525.27	(1,430.01)	59.67	318.04
Transactions with owners in their capacity as owners:						
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	-
Balance at 31 March, 2024	0.67	162.43	1,525.27	(1,430.01)	59.67	318.04

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

For B R Maheshwari & Co LLP

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

Akshay Maheshwari

Partner
Membership No. 504704Surinder Paul Kanwar
Chairman and Managing Director
(DIN: 00033524)Neha Patwal
Chief Financial Officer and Company Secretary
(PAN: ESRPP5275F)

For and on behalf of the Board of Directors

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

Date: 30 May, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars
1. COMPANY OVERVIEW	<p>Raunaq International Limited (Formerly Known as 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. The Company is also involved in trading activities of auto parts.</p> <p>These financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 30 May, 2024.</p>
2. MATERIAL ACCOUNTING POLICIES	<p>This Note provides a list of the material 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 services and trading of auto parts 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> <p>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.</p> <p>b. OTHERS ITEMS OF REVENUE</p> <p>Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate method.</p> <p>Dividend income is recognised when the Company's right to receive the payment is established.</p>

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

2.5 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

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

2.6 INTANGIBLE ASSETS (OTHER THAN GOODWILL)

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

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

2.7 IMPAIRMENT OF ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Company estimates the asset recoverable amount. An asset's recoverable amount is the higher of an asset or Cash-generating unit (CGU) fair value less cost of disposal and its fair value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or group of asset. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

2.8 INVENTORIES

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

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

Note	Particulars
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2.9 FOREIGN CURRENCY TRANSACTIONS

Transactions 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.

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

Note	Particulars
	renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.
d.	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.
e.	The cost of providing gratuity, a defined benefit plan is determined using the Projected Unit Credit Method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in Statement of profit and loss.
	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 INCOME TAX

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

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

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

2.17 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.

Note	Particulars
	ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expenses in the statement of profit & loss.
b. Financial Liabilities	
	<u>Initial recognition and measurement</u>
	Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings or payable.
	All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
	The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.
	<u>Subsequent measurement</u>
	The measurement of financial liabilities depends on their classification described below:
	Financial liabilities at fair value through profit and loss
	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.
	Loans and borrowings
	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.
	Derecognition
	A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2.18 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 35 for segment information presented.

2.19 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, 2023					
Gross carrying amount					
Opening gross carrying amount	235.85	0.47	5.90	9.89	252.11
Addition	-	-	-	-	-
Disposals/transfers	139.95	0.28	1.58	6.03	147.84
Closing gross carrying amount	95.90	0.19	4.32	3.86	104.27
Accumulated depreciation					
Opening accumulated depreciation	66.57	0.10	5.28	6.13	78.08
Depreciation charged during the year	24.09	0.07	0.15	0.84	25.15
Disposals/transfers	81.60	0.16	1.24	5.46	88.46
Closing accumulated depreciation	9.06	0.01	4.19	1.51	14.77
Net carrying amount	86.84	0.18	0.13	2.35	89.50
As at 31 March, 2024					
Gross carrying amount					
Opening gross carrying amount	95.90	0.19	4.32	3.86	104.27
Addition	3.22	-	-	3.09	6.31
Disposals/transfers	62.47	0.01	0.42	0.71	63.61
Closing gross carrying amount	36.65	0.18	3.90	6.24	46.97
Accumulated depreciation					
Opening accumulated depreciation	9.06	0.01	4.19	1.51	14.77
Depreciation charged during the year	13.15	-	-	0.37	13.52
Disposals/transfers	6.15	-	0.40	0.67	7.22
Closing accumulated depreciation	16.06	0.01	3.79	1.21	21.07
Net carrying amount	20.59	0.17	0.11	5.03	25.90

Note 4 : Non-current Investments

Particulars	As at 31 March, 2024	As at 31 March, 2023
Investment in equity instruments		
Investment in others		
Quoted		
At fair value through profit and loss (FVTPL) 2,59,206 (31 March, 2023 : 2,59,206) Equity shares of ₹ 10/- each fully paid up in Bharat Gears Limited	262.45	266.98
Total	262.45	266.98

Note 5 : Non-current Trade Receivables

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade receivables including retention money	82.68	107.12
Trade receivables which have significant increase in credit risk	115.84	116.57
Trade receivables - credit impaired	-	-
Allowance for expected credit loss	(115.84)	(116.57)
Total	82.68	107.12

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade Receivables as on 31 March 2024

Particulars	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i. Trade receivables – considered good	82.68	-	-	-	-	82.68
ii. Undisputed Trade receivables – which have significant increase in credit risk	115.84	-	-	-	-	115.84
iii. Disputed Trade receivables – considered good	-	-	-	-	-	-
iv. Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-

Trade Receivables as on 31 March 2023

Particulars	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i. Undisputed Trade receivable – considered good	107.12	-	-	-	-	107.12
ii. Undisputed Trade receivables – which have significant increase in credit risk	116.57	-	-	-	-	116.57
iii. Disputed Trade receivables – considered good	-	-	-	-	-	-
iv. Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-

Note 6 : Other Non-current Financial Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Security deposit		
Unsecured, considered good	1.03	1.03
Total	1.03	1.03

Note 7 : Deferred Tax Assets/(Liability)

Particulars	As at 31 March, 2024	(Charged)/ credit during the year	As at 31 March, 2023
Deferred tax liabilities on account of:			
a) Difference between book and tax depreciation	14.22	3.84	10.38
b) Income on Fair valuation of shares of Bharat Gears Limited	1.18	12.00	(10.82)
Total deferred tax asset/(liability)	15.40	15.84	(0.44)

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 8 : Inventories

Particulars	As at 31 March, 2024	As at 31 March, 2023
A. Inventory (Cost or NRV whichever is lower)		
(i) Stock-in-hand	-	0.86
(ii) Work in Progress	-	-
B. Goods-in-transit (at cost)	-	34.62
Total	-	35.48

Note 9 : Current Trade Receivables

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unsecured considered good, unless otherwise stated		
Trade receivables	196.89	215.98
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	196.89	215.98

Trade Receivables as on 31 March, 2024

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	152.42	2.03	-	4.39	38.05	196.89
ii. Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii. Disputed Trade receivables – considered good	-	-	-	-	-	-
iv. Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-

Trade Receivables as on 31 March, 2023

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	125.41	0.13	35.21	22.21	33.02	215.98
ii. Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii. Disputed Trade receivables – considered good	-	-	-	-	-	-
iv. Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-

Note 10 : Cash and Cash Equivalents

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance with banks		
In current account	49.33	55.59
Cash on hand		
Cash	0.17	1.09
Total	49.50	56.68

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 11 : Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March, 2024	As at 31 March, 2023
Other balances		
Earmarked balances with banks for:		
Unpaid dividends	-	2.37
Fixed deposits with various authorities		
Margin money against bank guarantees	257.23	317.87
Total	257.23	320.24

Note 12 : Current Loans and Advances

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unsecured, considered good		
Loans and advances to employee	0.02	1.14
Total	0.02	1.14

Note 13 : Other Current Financial Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Accrued interest on deposits with banks and others	3.82	4.67
Security deposits	4.75	0.77
Total	8.57	5.44

Note 14 : Current Tax Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current tax assets (net of provision)	3.09	9.84
Total	3.09	9.84

Note 15 : Other Current Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unsecured considered good		
Prepaid expenses	1.67	3.62
Advances recoverable in cash or in kind or for value to be received	64.49	44.76
Balance with Government authorities	102.12	115.71
Total	168.28	164.09

Note 16 : Equity Share Capital

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	No. of Shares	in Lakhs	No. of Shares	in Lakhs
Authorized:				
Equity shares of ₹ 10 each (31 March, 2023 ₹ 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, 2023 ₹ 10 each)	33,43,243	334.32	33,43,243	334.32
Total		334.32		334.32

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 2024		As at 31 March, 2023	
	No. of Shares	%	No. of Shares	%
Mr. Surinder Paul Kanwar	14,66,695	43.87	14,66,695	43.87
Strategic Capital Partners Private Limited	2,45,316	7.34	2,45,316	7.34
Soham Ashokkumar Shah	2,00,972	6.01	2,00,972	6.01

Promoter's Shareholdings

Promoter Name	As at 31 March, 2024			As at 31 March, 2023		
	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	144825	4.33	4.33%	-	-	(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, 2024		As at 31 March, 2023	
	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

Note 17 : Other Equity

Particulars	Refer following items	As at 31 March, 2024	As at 31 March, 2023
Capital reserve	17(a)	0.68	0.67
Securities premium reserve	17(b)	162.43	162.43
General reserve	17(c)	1,525.27	1,525.27
Retained earnings	17(d)	(1370.34)	(1,266.06)
Total		318.04	422.31

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
a. Capital reserve-balance at the beginning and end of the year	0.68	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	(1,266.06)	(1,035.67)
Profit for the year	(106.88)	(238.00)
Remeasurement of defined benefit plans (net of tax)	2.61	7.61
Balance at the end of the year	(1370.34)	(1,266.06)
Total	318.04	422.31

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.

Retained Earnings: Represents the accumulated profit/(loss) which the Company has earned.

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.

Note 18 : Non-current Borrowings

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unsecured borrowings		
Loan from corporates	-	25.00
Total	-	25.00

Note 19 : Non-current Provisions

Particulars	As at 31 March, 2024	As at 31 March, 2023
Provision for employee benefits		
Provision for compensated absences	2.39	8.86
Provision for Gratuity	0.50	6.79
Total	2.89	15.65

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 20 : Trade Payables

Particulars	As at 31 March, 2024	As at 31 March, 2023
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of trade payable other than micro enterprises and small enterprises	266.69	256.71
Total	266.69	256.71

Trade Payables as at 31 March, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	179.13	3.50	8.81	75.25	266.69
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

Trade Payables as at 31 March, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	171.21	6.64	0.06	78.80	256.71
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

As at 31 March, 2024 there were Nil (as at 31 March, 2023 Nil) 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 21 : Other Current Financial Liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unclaimed dividend	-	2.37
Employee dues	11.67	50.11
Creditors for expenses	33.99	41.89
Interest payable	14.22	14.54
Total	59.88	108.91

(All amounts in ₹ Lakhs, unless otherwise stated)

Creditors for Expenses as at 31 March, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	2.72	15.29	0.82	15.16	33.99
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

Trade Payables as at 31 March, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	0.13	-	-	-	0.13
ii. Others	6.33	1.50	-	33.93	41.76
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

Note 22 : Other Current Liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
Statutory dues	12.38	24.84
Contractually reimbursable expenses	1.66	3.84
Advance from customers	0.24	-
Total	14.28	28.68

Note 23 : Current Provisions

Particulars	As at 31 March, 2024	As at 31 March, 2023
Provision for employee benefits		
Provision for compensated absences	5.04	5.46
Provision for gratuity	6.33	0.78
Provision-others		
Provision for other outstanding liabilities	63.57	75.26
Total	74.94	81.50

Note 24 : Revenue from Operations

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
(i) Sales of service (service contracts/supply contracts)	1.88	217.73
(ii) Trading activities	372.33	359.20
Total	374.21	576.93

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 25 : Other Income

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest income	20.29	13.45
Net gain/(loss) on fair value of financial assets through statement of profit & loss (FVTPL)	-	41.64
Unclaimed balances written back	4.83	-
Allowance for expected credit loss	0.72	-
Other non-operating income	65.06	146.94
Total	90.90	202.03

Note 26 : Cost of Materials Consumed

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Opening stock	0.86	7.40
Add: Purchases during the year	365.89	355.27
Less: Closing stock	-	0.86
Net material consumed	366.75	361.81
Total	366.75	361.81

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

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Inventories (at the end of the year)		
- Work-in-progress	-	-
Inventories (at the beginning of the year)		
- Work-in-progress	-	73.20
Total	-	73.20

Note 28 : Employee Benefits Expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a. Salaries and wages	46.69	159.94
b. Contributions to provident and other fund	2.66	11.39
c. Gratuity fund contribution - (Refer note 41)	5.63	1.23
d. Staff welfare expenses	2.00	8.66
Total	56.98	181.22

Note 29 : Finance Cost

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
a. Interest expenses on:		
Borrowings	-	18.12
b. Other borrowing costs (Bank and other financial charges)	7.48	15.26
Total	7.48	33.38

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 30 : Depreciation and Amortization Expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Depreciation of property, plant and equipment	13.52	25.15
Total	13.52	25.15

Note 31 : Other Expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Consumption of stores and spare parts	1.17	13.21
Erection expenses	22.25	96.64
Power and fuel	0.02	0.29
Hire charges	-	2.59
Travelling & conveyance	16.22	25.47
Rent	2.63	10.56
Repairs and maintenance - machinery	0.09	0.53
Insurance	0.20	1.21
Rates and taxes	22.83	20.54
Bad debts written off	-	19.35
Allowance for expected credit loss	-	110.00
Freight and forwarding	3.28	1.63
Payments to auditors (Refer Note (i) below)	4.29	4.06
Loss on fixed assets sold	15.45	16.73
Loss on disposal of fixed assets	-	29.15
Legal & professional charges	26.23	11.81
Loss on fair value of financial assets through statement of profit & loss (FVTPL)	4.54	-
Marketing Development Expenses	10.13	-
Miscellaneous expenses	13.78	22.97
Total	143.11	386.74

Auditor's Remuneration paid/payable for the year

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Statutory audit fee	2.50	2.50
Limited review and other certifications	1.79	1.56
Total	4.29	4.06

Working Note

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Postage, Telegram, Telephone & Telex	0.65	2.61
Printing & Stationery	0.67	1.15
Miscellaneous Expenses	3.89	9.00
Security expenses	1.07	1.84
Repairs & Maintenance - Others	1.97	2.90
Advertisement & Publicity, Subscription & Periodicals	4.23	4.08
Director's Sitting Fees	1.30	1.40
Total	13.78	22.98

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 32 : Earnings Per Share

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Weighted average number of equity shares outstanding	33,43,243	33,43,243
Profit after tax available for shareholders	(106.88)	(238.00)
Basic & diluted earning per share	(3.20)	(7.12)
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	2023-24	2022-23
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	15.84	44.54
Total deferred tax income/(expenses)	15.84	44.54
Income tax expenses	(15.84)	(44.54)

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

Particulars	2023-24	2022-23
Profit before income taxes	(122.72)	(282.54)
Enacted tax rate in India (%)	26.00%	26.00%
Computed expected tax expenses	-	-
Tax effect due to non-taxable income for Indian tax purposes	1.18	(10.83)
Tax reversals	-	-
Effect of non-deductible expenses	(1.18)	10.83
Others	(15.84)	(44.54)
Income tax expenses	(15.84)	(44.54)

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

a. Contingent liabilities not provided for

Particulars	As at 31 March, 2024	As at 31 March, 2023
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	209.90	298.91
b. Guarantee given to bank on behalf of other company	-	-
Total	209.90	298.91

- b. A claim of ₹ 3.78 crores filed by one of our sub-contractor, is pending disposal before Ld. Civil Court in respect of which mangement, based on inputs from legal experts is confident that no liability is likely to devolve upon the Company.
- c. For the AY 2018-19, PCIT (Central), Delhi-1 under sec 263 has passed an order creating the disallowances of ₹19.04 lakhs under sec 14A and 46.20 lakhs under sec 36(1)(va) against the original order of Ld. Assessing officer under sec 143(3) and has directed the Jurisdictional Assessing Officer to recompute the demand. In the Meantime, Company has filed an appeal before ITAT New Delhi on April 05, 2024. The matter is pending before Honble ITAT, Delhi .

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 ensures 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, 2024	As at 31 March, 2023
Equity share capital	334.32	334.32
Other equity	318.04	422.31
Total equity	652.36	756.63
Long term debt	-	25.00
Debt to equity ratio	-	0.03

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.

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

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, 2024	As at 31 March, 2023
Trade Receivables (Gross)	395.42	439.66
Less: Expected Credit Loss	(115.84)	(116.57)
Trade Receivables (Net)	279.58	323.09

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 ₹ 858.37 lakhs as at 31.03.2024 and ₹ 974.59 lakhs as at 31.03.2023, which is the carrying amount of cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 2024

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	-	-	-	-
Trade Payables	266.69	-	-	266.69
Other Financial Liabilities	59.88	-	-	59.88
Total	326.57	-	-	326.57

As at 31 March, 2023

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	-	25.00	-	25.00
Trade Payables	256.71	-	-	256.71
Other Financial Liabilities	108.91	-	-	108.91
Total	365.62	25.00	-	390.62

Note 39 : Corporate Social Responsibility

Gross amount required to be spent by the Company during the Financial Year 2023-24 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, 2024	For the year ended 31 March, 2023
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	2023-24	2022-23
Contribution to provident fund and family pension fund	2.66	9.87
Contribution to superannuation fund	-	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.

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	2023-24	2022-23
Current service cost	0.64	1.48
Past service cost	-	-
Interest cost	1.71	2.82
Expected return on Plan Assets	(1.16)	(1.59)
Total expenses recognised in the Profit & Loss Statement	1.19	2.71
Cumulative unrecognised actuarial (gain)/loss opening B/F	0.48	10.14
Actuarial (gain)/loss - Obligation	(2.61)	(9.97)
Actuarial (gain)/loss - plan assets	0.70	0.31
Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses	(1.43)	0.48
Actual Contribution & Benefits payment for the year	2023-24	2022-23
Actual Benefits payments	11.85	11.09
Actual contributions	-	3.88
Net assets/(liability) recognised in the Balance Sheet	2023-24	2022-23
Present value of Defined Benefit Obligation	11.47	23.58
Fair value of Plan Assets	4.63	16.01
Funded Status [Surplus/(Deficit)]	(6.84)	(7.56)
Net assets/(liability) recognised in the Balance Sheet	(6.84)	(7.56)
Change in Defined Benefits Obligation during the year	2023-24	2022-23
Present value of Defined Benefit Obligation as at the beginning of the year	23.58	40.34
Current service cost	0.64	1.48
Interest Cost	1.71	2.82
Actuarial Losses/(Gains)	(2.61)	(9.97)
Benefits paid	(11.85)	(11.09)
Present value of Defined Benefits Obligation as at the end of the year	11.47	23.58
Change in Fair value of the Plan Assets during the year	2023-24	2022-23
Plan Asset as at the beginning of the year	16.01	21.94
Actuarial Adjustment	-	-
Expected return on the Plan Assets	1.16	1.59
Actual Company contributions	-	3.88
Actuarial (Losses)/Gains	(0.70)	(0.31)
Benefits paid	11.85	(11.09)
Plan Asset as at the end of the year	4.62	16.01

(All amounts in ₹ Lakhs, unless otherwise stated)

Actuarial Assumptions	2023-24	2022-23
Discount rate	7.25%	7.25%
Expected return on plan assets	7.25%	7.25%
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	2023-24	2022-23
Insurer Managed Funds	100%	100%
Experience Adjustments	2023-24	2022-23
Present value of Defined Benefit Obligation as at the end of the year	11.47	23.58
Fair value of plan assets as at the end of the year	4.62	16.01
Funds Status [Surplus/(Deficit)]	(6.84)	(7.56)
Experience adjustment of Plan Liabilities	(2.61)	(9.76)
Experience adjustment of Plan Asset	(0.70)	(0.31)

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 31.03.2024 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	(0.28)	0.32	0.33	(0.29)	0.04	(0.03)

Sensitivity Analysis for significant assumptions as on 31.03.2023 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	(0.88)	0.97	0.98	(0.90)	0.10	(0.12)

The Company expects to contribute ₹ 0.84 lakhs (Previous year ₹ 1.77 lakhs) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2024 is 4 years (as at 31.03.2023: 6 years).

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

Particulars	(₹ in Lakhs)
01 April, 2024 to 31 March, 2025	6.33
01 April, 2025 to 31 March, 2026	2.05
01 April, 2026 to 31 March, 2027	0.11
01 April, 2027 to 31 March, 2028	0.61
01 April, 2028 to 31 March, 2029	0.07
01 April, 2029 onwards	2.29

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 42 : Related Party Disclosure

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

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

Bharat Gears Limited (BGL)
Vibrant Reality Infra Private Limited (VRIPL)
Ultra Consultants Private Limited (UCPL)
Clip-Lok Simpak (India) Private Limited (CSIPL)
Nexus EPC Private Limited (Formerly Known as Samreet Investment & Management Consultancy Private Limited (SIMCPL)
Gulab Merchandise Private Limited (GMPL)**

(b) Key managerial personnel

Mr. Surinder Paul Kanwar - Chairman & Managing Director
Dr. Sanjeev Kumar - Non - Executive Independent Director
Mr. Rajiv Chandra Rastogi - Non - Executive Independent Director
Mr. Naresh Kumar Verma - Non - Executive Director
Ms. Preeti Goel - Non - Executive Independent Director
Ms. Neha Patwal - Chief Financial Officer (CFO) and Company Secretary (CS)

Details of transactions with the related parties

Particulars	Associate Companies		Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Transaction during the year						
Rent expense						
BGL	-	-	1.39	1.45	-	-
VRIPL	-	-	-	-	-	-
Interest expense						
UCPL	-	-	-	3.40	-	-
CSIPL	-	-	-	1.89	-	-
VRIPL	-	-	-	1.68	-	-
Loan taken						
UCPL	-	-	-	-	-	-
CSIPL	-	-	-	-	-	-
VRIPL	-	-	-	16.00	-	-
Managerial remuneration						
Mr. Surinder Paul Kanwar	-	-	-	-	^	^
Director's sitting fees						
Dr. Sanjeev Kumar	-	-	-	-	0.50	0.70
Ms. Preeti Goel	-	-	-	-	0.80	0.70
Balances at the end of the year	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Balance payable/receivable						
VRIPL	-	-	19.67	19.67	-	-
Guarantee given for credit limits taken by Company						
VRIPL	-	-	200.00	175.00	-	-
Mr. Surinder Paul Kanwar	-	-	-	-	-	298.91

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 43 : Financial Instruments

Particulars	Notes	31 March, 2024			31 March, 2023		
		FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets							
Investment							
Equity Shares (Quoted)	4	262.45	-	-	266.98	-	-
Equity Shares (Unquoted)	4	-	-	-	-	-	-
Loans and Advances	12	-	-	0.02	-	-	1.14
Trade Receivables	5, 9	-	-	279.58	-	-	323.09
Cash and Bank Balances	10, 11	-	-	306.73	-	-	376.91
Other Financial Assets	6, 13	-	-	9.60	-	-	6.47
Total Financial Assets		262.45	-	595.93	266.98	-	707.61
Financial Liabilities							
Borrowings	18	-	-	-	-	-	25.00
Trade Payables	20	-	-	266.69	-	-	256.71
Other Financial Liability	21	-	-	59.88	-	-	108.91
Total Financial liabilities		-	-	326.57	-	-	390.62

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, 2024

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in:					
Equity Instruments	4	262.45	-	-	262.45

ii) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2023

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in:					
Equity Instruments	4	266.98	-	-	266.98

During the year ended 31.03.2024, 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 : New Accounting Pronouncements

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

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

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

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

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

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

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

Note 45 : 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 (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 have not 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 46 : Key Ratios

Particulars	2023-24	2022-23	Remarks
Current Ratio	1.64	1.70	-
Debt-Equity Ratio	-	0.03	During the year, Company paid all the borrowings
Debt Service Coverage Ratio	(2.81)	(0.09)	Due to negative EBITDA in the business

RAUNAQ INTERNATIONAL LIMITED

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	2023-24	2022-23	Remarks
Return on Equity Ratio	-15.00%	-27.30%	Due to reduction in loss amount
Inventory Turnover Ratio	20.67	6.23	Closing inventory is Nil
Trade Receivables Turnover Ratio	1.24	0.72	Company realised/settled majority of its debtors during the year
Trade payables Turnover Ratio	1.40	0.70	Company improved in paying out its trade payables
Net capital Turnover Ratio	1.25	2.35	Company's losses have declined during the year
Net profit Ratio	-29.14%	-41.25%	Company's losses have declined during the year
Return on Capital Employed	-45.54%	-26.79%	Due to losses in the business
Return on Investment	-1.70%	15.60%	During the year, there is decline in fair value of investment

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: Earning for debts services (numerator) includes Net profit after taxes Non- cash operating expenses like depreciation and other amortizations + Interest + other adjustments. 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.

Inventory Turnover Ratio: Net Sales (numerator). Average Inventory (denominator).

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 47: 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

Akshay Maheshwari
Partner
Membership No. 504704

Surinder Paul Kanwar

Chairman and Managing Director
(DIN: 00033524)

Neha Patwal
Chief Financial Officer and Company Secretary
(PAN: ESRPP5275F)

Dr. Sanjeev Kumar (DIN: 00364416)

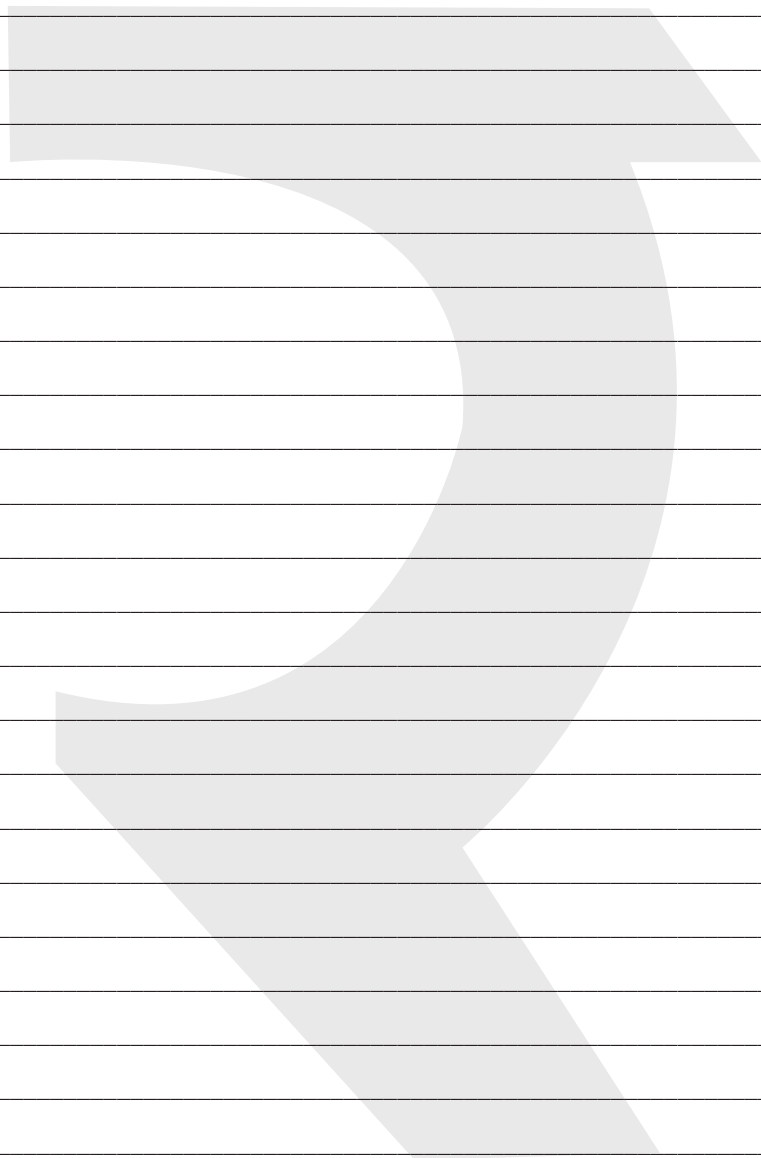
Rajiv Chandra Rastogi (DIN: 00035460)

Naresh Kumar Verma (DIN: 07087356)

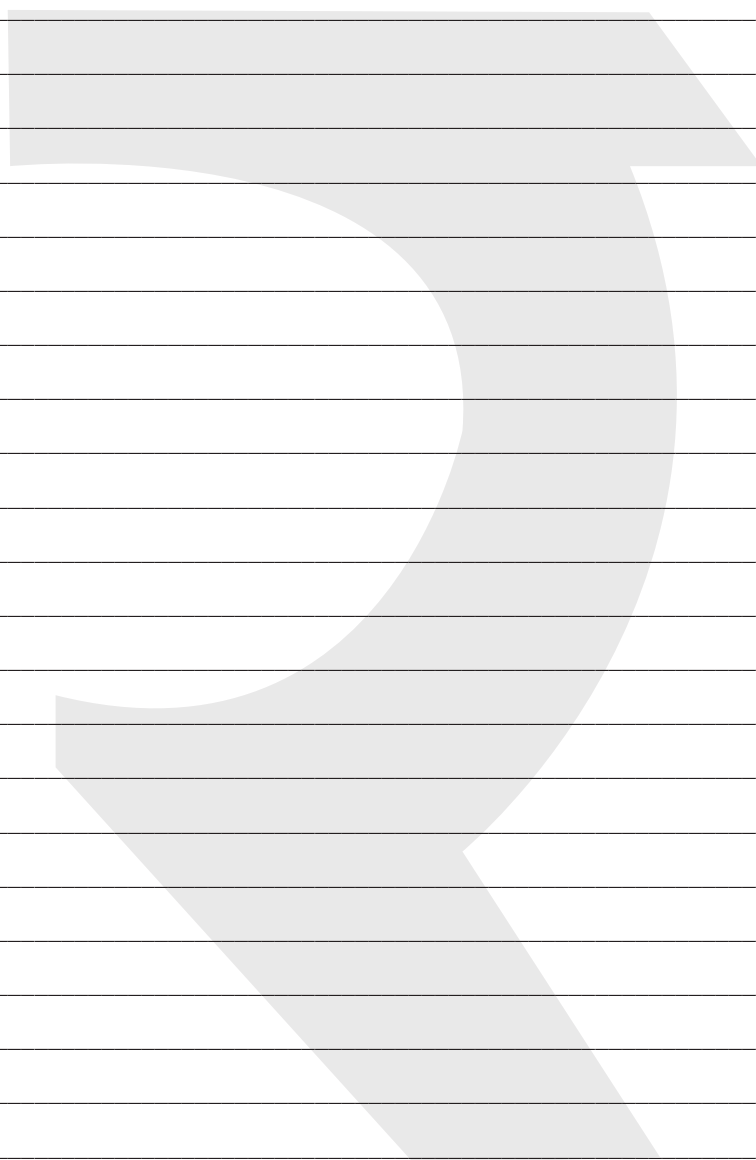
Preeti Goel (DIN: 09561869)
Directors

Date: 30 May, 2024

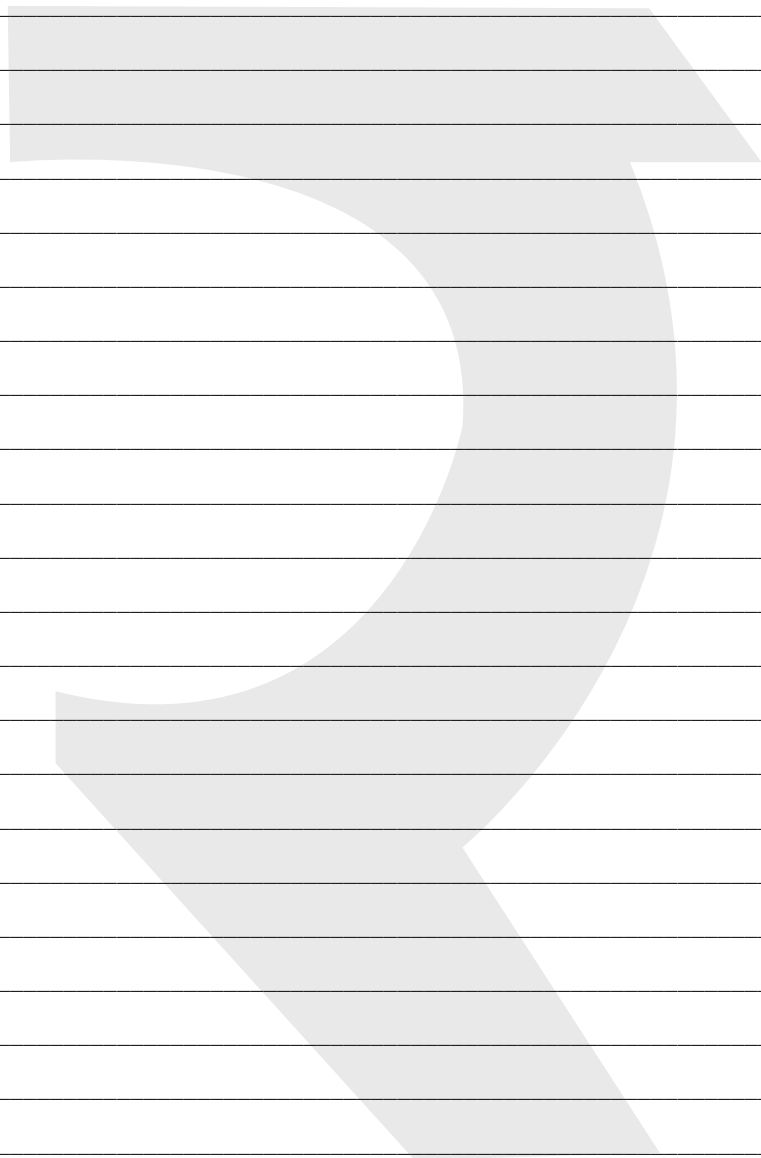
NOTES



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Form ISR – 1

(see SEBI Circular No. SEBI/HO/MRSD/MRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 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"/> Bank details	<input type="checkbox"/> Signature
<input type="checkbox"/> Mobile number		<input type="checkbox"/> E-mail ID	<input type="checkbox"/> Address

B. Security Details:

Name of the Issuer Company	RAUNAQ INTERNATIONAL 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="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> </div> PAN shall be valid only if it is linked to Aadhaar by March 31, 2023* For Exemptions/Clarifications on PAN, please refer to Objection Memo in Page 6 & 7
2.	Demat Account Number (Optional)	<div> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> </div> Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.
3.	Proof of Address of the first holder	Any one of the documents, only if there is change in the address; <input type="checkbox"/> Unique Identification Number (UID) (Aadhaar) <input type="checkbox"/> Valid Passport/ Registered Lease or Sale Agreement of Residence / Driving License <input type="checkbox"/> Flat Maintenance bill accompanied with additional self-attested copy of Identity Proof of the holder/claimant. <input type="checkbox"/> Utility bills like Telephone Bill (only land line)/ Electricity bill / Gas bill - Not more than 3 months old. <input type="checkbox"/> 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 duly attested by the employer with date and organisation stamp <input type="checkbox"/> 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. <input type="checkbox"/> Proof of address in the name of the spouse accompanied with self- attested copy of Identity Proof of the spouse. <input type="checkbox"/> Client Master List (CML) of the Demat Account of the holder / claimant, provided by the Depository Participant.

4.	Bank details (to be updated for first holder in case of joint holding)	Account Number: _____ # Bank Name: _____ Branch Name: _____ IFS Code: _____ Provide the following: <input type="checkbox"/> Original cancelled cheque bearing the name of the security holder; OR <input type="checkbox"/> Bank passbook/statement attested by the Bank;
5.	E-mail address	_____ #
6.	Mobile	_____ #

* or any date as may be specified by the CBDT

(DP: Depository Participant)

In case it is not provided, the details available in the CML will be updated in the folio

Authorization: I/ We authorise you (RTA) to update the above PAN and KYC details in following additional folio(s) held in my / our name (use Separate Annexure if extra space is required):

S. No.	Name of the Issuer Company	Folio No.	Quantity of securities	Face value of securities	Distinctive number of securities (Optional)

in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓		
Name	✓		
Full address	✓		
PIN	□ □ □ □ □ □	□ □ □ □ □ □	□ □ □ □ □ □

Mode of submission of documents to the RTA

Please use any one of the following mode:

- Through 'In Person Verification' (IPV):** The authorized person of the RTA shall verify the original documents furnished by the investor and retain copy (ies) with IPV stamping with date and initials.
- Through Post:** Hard copies of the documents which are self-attested.
- Through electronic mode with e-sign:** The holder(s)/ claimant(s) may furnish the documents to RTAs electronically including by way of email or through service portal of the RTA provided the documents furnished shall have e-sign* of the holder(s)/ claimant(s).

*E-Sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by e-Sign user. The holder/claimant may approach any of the empanelled e-Sign Service Providers, details of which are available on the website of Controller of Certifying Authorities (CCA), Ministry of Communications and Information Technology (<https://cca.gov.in/>) for the purpose of obtaining an e-sign.

Note

<ul style="list-style-type: none"> • Holders of physical securities in listed company are mandatorily required to furnish PAN, KYC details (Contact details, Bank Account Details, Signature) and Nomination (for all the eligible folios) to enable RTA to process any service request or complaints received from the security holder(s)/ Claimants. 	
<ul style="list-style-type: none"> • Upon receipt or up-dation of bank details, the RTA shall, suo-moto, generate request to the company's bankers to pay electronically all the moneys of / payments to the holder that were previous unclaimed / unsuccessful. 	
<ul style="list-style-type: none"> • RTA shall update the folio with PAN, KYC details and Nominee, within timelines as mentioned in the circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/670 dated November 26, 2021. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA. 	
<ul style="list-style-type: none"> • RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination. 	
<ul style="list-style-type: none"> • Specimen Signature 	<p>Option A</p> <p>i Security holder shall provide the following documents:</p> <p>(a) Original cancelled cheque with name of the security holder printed on it; or</p> <p>(b) Self-attested copy of Bank Passbook/ Bank Statement;</p> <p style="text-align: center;">and</p> <p>ii Banker's attestation of the signature of the same bank account as mentioned in (i) above as per Form ISR - 2.</p> <p style="text-align: center;">OR</p> <p>Option B</p> <ul style="list-style-type: none"> • The investor may get his or her signature changed or updated by visiting the Office of the RTA in person. In such a case, the investor shall sign before the authorized personnel of the RTA, along with PAN card and any one additional document mentioned at Serial Nos. 1-4 of Annexure – E of SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, in original for verification by the RTA, and submit self- attested copies of the same.
<ul style="list-style-type: none"> • Nomination** 	<ul style="list-style-type: none"> • Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 • Variation in Existing Nomination: Please use Form SH-14 • Cancellation of Existing Nomination and opting out: use Form SH- 14 & Form ISR – 3

** Nomination (**Form SH-13 or SH-14**) / 'Declaration to Opt-Out of nomination' (**Form ISR – 3**), has to be furnished by the holder(s) separately for each listed company.

Form ISR – 2

(see circular No. SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023 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; padding: 10px; text-align: center;">1st Holder</div> <div style="border: 1px solid black; padding: 10px; text-align: center;">2nd Holder</div> <div style="border: 1px solid black; padding: 10px; text-align: 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)	
	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">1) <div style="border: 1px solid black; width: 150px; height: 40px;"></div></div> <div style="text-align: center;">2) <div style="border: 1px solid black; width: 150px; height: 40px;"></div></div> <div style="text-align: center;">3) <div style="border: 1px solid black; width: 150px; height: 40px;"></div></div> </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:	

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 INTERNATIONAL LIMITED (FORMERLY KNOWN AS 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 INTERNATIONAL LIMITED (FORMERLY KNOWN AS 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-POD-1/P/CIR/2023/37 dated March 16, 2023 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 INTERNATIONAL LIMITED (FORMERLY KNOWN AS 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 INTERNATIONAL LIMITED

(Formerly known as Raunaq EPC International Limited)

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

www.raunaqinternational.com

CIN: L51909HR1965PLC034315