

**RACHANA INFRASTRUCTURE**  
**LIMITED**  
**22<sup>nd</sup> Annual Report**



**Financial Year 2022-2023**





**CORPORATE INFORMATION**

<p><b><u>BOARD OF DIRECTORS</u></b></p> <p><b>Mr. Girishkumar Ochchhavlal Raval</b> Chairman &amp; Managing Director</p> <p><b>Mr. Bhaminiben Baldevprasad Mehta</b> Wholetime Director</p> <p><b>Dr. Ashokkumar Raval</b> Director</p> <p><b>Mr. Kalpit Dave</b> Independent Director</p> <p><b>Mr. Saureen Patel</b> Independent Director till 30/08/2023</p> <p><b>Mr. Bharatkumar Chaudhary</b> Independent Director</p> <p><b>Mrs. Mrs. Dhvani Solanki</b> Additional Independent Director w.e.f 30/08/2023</p> <p><b><u>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</u></b> Mr. Smit Dhanvantkumar Shah</p> <p><b><u>CHIEF FINANCIAL OFFICER (CFO)</u></b> Mrs. Ishita Raval</p> <p><b><u>STATUTORY AUDITOR</u></b> <b>M/s. Ankit Chokshi &amp; Co.</b> Chartered Accountants, Statutory Auditor</p> <p><b><u>COST AUDITOR</u></b> <b>M/S Dalwadi and Associates.</b> Cost Accountants</p> <p><b><u>BANKER</u></b> Bank of Baroda</p>	<p><b><u>CORPORATE IDENTITY NUMBER (CIN)</u></b> L45203GJ2001PLC039725</p> <p><b><u>REGISTERED OFFICE</u></b> 604, 6th Floor, Zion Z-OneNear Hotel Avalon, Off. Sindhubhavan Road, Ahmadabad Gujarat 380054 India Phone: 079 49172660</p> <p><b><u>MAIL &amp; WEBSITE</u></b> rachanainfra404@gmail.com www.rachanainfra.com</p> <p><b><u>REGISTRAR AND SHARE TRANSFER AGENT (RTA)</u></b> Bigshare Services Private Limited. A-802 Samudra Complex, Off CG Road, Near Girish Cold Drinks, Navrangpura, Ahmedabad – 380009 Email:- bssahd@bigshareonline.com Phone:-079-40024135 Website: www.bigshareonline.com</p>
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## **LETTER TO SHAREHOLDERS**

**Dear Shareholders,**

We take immense pleasure by sharing with you about the performance of your Company and present Annual Report for the Financial Year 2022-23.

We would like to state that your Company is progressing to achieve new milestones in its journey towards growth through total excellence. Rachana Infrastructure Limited (RIL) has pursued business excellence through passion and expansion project carried out successfully which would result into improved cost competitiveness and profitability.

We have undertaken several strategic initiatives to drive improvement across operating parameters and created a more efficient and sustainable business framework to successfully meet the challenges arose due to outbreak of Covid-19 pandemic in last few years. We believe that with proper planning on all fronts of the business we can overcome the adverse effects of the this Covid-19 pandemic and took this opportunity to thank all our office and factory staff, workers, suppliers, buyers, business associates, bank and other stakeholders to jointly contribute to face this pandemic situation.

Your Company is engaged in all types of infrastructure and civil construction work since incorporation. Over the years we believe that we have established a strong customer base and good marketing setup. RIL has grown from a local Ahmedabad contractor to a Pan-India. Our Company got the contracts from the Government (Zilla Panchayat) at a very small scale. In addition, we got sub contracts from the infrastructure Companies from Gujarat, Madhya Pradesh, Maharashtra and many other states. Over a period of time, Company got expertise in the traditional construction of Buildings, Road Construction, Irrigation, Hydro power Project and Mining. With time and experience, we started expanding our business in the other states of the India like Maharashtra, Madhya Pradesh, Jharkhand and Rajasthan. We have well trained and adequate teams to handle daily activities and are supervised regularly.

We would like to assure that we will continuously seek opportunities and make our best efforts to contribute towards the growth and success of the organization.

I thank all valued shareholders of the Company for their confidence and trust and we assure that all efforts shall be put forth for achieving greater heights in future and shareholders can look forward for robust growth of our Company in the years to come.

We extend our sincere appreciation to colleagues on the board for their wise and matured counsel for the smooth functioning of the Company. We would like to express our profound gratitude to all our stakeholders, our customers, business associates, employees, bankers, vendors and shareholders who have reposed their trust in us and given us constant support.

With Warm Regards,

Sd/-

Yours Sincerely

**GIRISHKUMAR OCHCHHAVLAL RAVAL**  
**CHAIRMAN & MANAGING DIRECTOR**

## **NOTICE OF 22<sup>nd</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **22<sup>nd</sup> (Twenty Second) Annual General Meeting** of the Shareholders of **RACHANA INFRASTRUCTURE LIMITED** will be held on Monday, 25th September, 2023 at 02.00 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone audited Financial Statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mrs. Bhaminiben Baldevprasad Mehta (DIN: 01646822) who retires by rotation and being eligible offers herself for re-appointment.

### **SPECIAL BUSINESS:**

#### **3. Ratification of Cost Auditor's Remuneration FY 2023-24**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of M/s Dalwadi and Associates, Partnership Firm having FRN: 000338 appointed by the Board of Directors of the Company at the meeting of Board of Directors as the Cost Auditor to conduct audit of Cost Records maintained by the Company for the financial year 2023-24, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting be and is hereby approved and ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### **4. To Approve Variation in Terms of Objects of The Public Issue as Stated in The Prospectus of The Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 27 of the Companies Act, 2013, read with the Rule 7 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof) and other applicable provisions of Companies Act, 2013, Regulation 59 read with Schedule XX of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, applicable regulations of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, if any, and such other approvals, permissions and sanctions, as may be necessary, the approval of members of the Company be and is hereby accorded to vary the terms of objects of the issue referred to in the prospectus dated May 09, 2022 (the ‘Prospectus’) in relation to the terms of utilization of the proceeds received from the initial public offering of equity shares (the ‘IPO’) made in pursuance of the Prospectus and utilize such proceeds for the objects and in the manner as mentioned in the explanatory statement annexed to this Notice.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized on behalf of the Company to do all such acts, deeds matters and things, as it may, in its absolute discretion, deem necessary or desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval and ratification thereto expressly by the authority of this resolution.

**5. Regularisation of appointment of Mrs. Dhvani Jaypalsinh Solanki (DIN: 10299290) from additional independent director to independent director:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act,2013 and read rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force) and the consent of the members be and are hereby accorded for regularization of appointment of Mrs. Dhvani Jaypalsinh Solanki (DIN: 10299290) from additional Independent director to Independent



Director, as recommended by Nomination and Remuneration Committee and Board of Directors, on the basis of the performance evaluation to hold office for a period of five years w.e.f. 26<sup>th</sup> September, 2023, and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

**By Order of the Board**

For Rachana Infrastructure Limited

Regd. Office:

604, 6th Floor, Zion Z-One, Near  
Hotel Avalon, Off. Sindhubhavan  
Road, Ahmadabad Gujarat 380054,  
India

CIN: L45203GJ2001PLC039725

Sd/-

**Girishkumar O. Raval**  
**Chairman & Managing Director**  
**DIN: 01646747**  
Place: Ahmedabad  
Date: 30<sup>th</sup> August, 2023

## Notes: -

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021, 02/2022 dated 5th May 2022 and 10/2022 dated 28th December, 2022 (“MCA Circulars”) and Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/DDHS/P/ CIR/2022/0063 dated 13th May, 2022 and SEBI/HO/CRD/PoD-2/P/CIR/2023/4 dated 05th January, 2023 issued by the Securities Exchange Board of India (“SEBI Circular”) prescribing the procedures and manner of conducting the Annual General Meeting through VC/OVAM. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being conducted through VC / OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. The facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the MCA Circulars and the SEBI Circulars, the Notice of 22<sup>ND</sup> AGM along with Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company's RTA / DPs. Members may note that the Notice and Annual Report will also be available on the Company's website i.e. [www.rachanainfra.com](http://www.rachanainfra.com), website of the Stock Exchange i.e. National Stock Exchange of India Ltd. at [www.nseindia.com](http://www.nseindia.com) and on the website of Central Depository Services Ltd. (CDSL) at [www.evotingindia.com](http://www.evotingindia.com).
7. Since AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
8. Members of the Company who are Institutional Investors are encouraged to attend and vote at AGM through VC /OAVM. Corporate Members intending to authorise their representatives to participate and vote through e-voting on their behalf at AGM are requested to send a certified copy of the Board Resolution / authorisation letter to the Company at [info@rachanainfra.com](mailto:info@rachanainfra.com).
9. Details of the Directors seeking appointment/re-appointment at the 22<sup>nd</sup> AGM are provided in Annexure of this Notice.
10. An Explanatory statement pursuant to Section 102 of the Act, relating to Special Business to be transacted at the AGM, requiring such statement is annexed hereto.
11. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") which is mandatory for e-voting & joining in the AGM through Depository. For registration of bank details, the Member may contact their respective DPs.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
13. Pursuant to the provisions of Section 91 of the Act, read with Rule 10 of Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 42 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Register of members and share transfer books of the Company will remain closed from Tuesday, 19th September, 2023 till Monday, 25th September, 2023 (both the days inclusive).
14. The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements maintained under Section 189 of the said Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice upto

the date of AGM (i.e.) 25th September, 2023. Members seeking to inspect such documents can send e-mail to [rachanainfra404@gmail.com](mailto:rachanainfra404@gmail.com).

15. With a view to conserve natural resources, we request the Members to update and register their email addresses with their DPs or RTA, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically.

16. Instructions for e-Voting and joining the AGM are as follows:-

## **A. VOTING THROUGH ELECTRONIC MEANS**

- i. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and the MCA Circulars, the Company has engaged services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. This facility is being provided to the Members holding as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice.
- ii. The remote e-Voting period commences on Friday, 22<sup>nd</sup> September, 2023 (9:00 a.m. IST) and ends on Sunday, 24<sup>th</sup> September, 2023 (5:00 p.m. IST). During this period, Members holding shares as on Monday, 18<sup>th</sup> September, 2023 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commences 22<sup>nd</sup> September, 2023 to 24<sup>th</sup> September, 2023 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.
- iv. The Board of Directors have appointed M/s Mukesh H Shah & Co. (Membership No. FCS 5827) Practicing Company Secretaries as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- v. Results of voting shall be declared by the Chairperson or a person so authorised by him in writing on receipt of consolidated report from the Scrutiniser. The results declared along with the Scrutiniser's Report shall be placed on the Company's website i.e. [www.rachanainfra.com](http://www.rachanainfra.com) and on the website of CDSL and shall also be communicated to the Stock Exchange where the shares of the Company are listed.
- vi. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

- vii In terms of the SEBI Circular No. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 09, 2020, the Individual Members holding securities in demat mode are required to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email address with their DPs in order to access e-voting facility. The procedures of login and registration is as follows: -

### Voting Process for Individual Shareholders

THROUGH DEPOSITORIES	
Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) <b>Members already registered for Easi/Easiest facility may follow the below steps:</b></p> <p>a. Visit the following URL:  <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a>  or <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>b. Click on the “Login” icon and opt for “New System Myeasi” (only applicable when using the URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>)</p> <p>c. On the new screen, enter User ID and Password. Without any further authentication, the e-voting page will be made available.</p> <p>d. Click on Company name or e-voting service provider name i.e. CDSL to cast your vote.</p>
	<p>2) <b>Members who have not registered for Easi/Easiest facility may follow the below steps:</b></p> <p>a. To register for this facility, visit the URL:  <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>b. On completion of the registration formality, follow the steps provided above.</p>
	<p>3) <b>Members may alternatively vote through the e-voting website of CDSL in the manner specified below:</b></p> <p>a. Visit the URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>b. Enter the demat account number and PAN</p>



**Individual Shareholders holding securities in demat mode with NSDL**

- c. Enter OTP received on mobile number and email registered with the demat account for authentication.
  - d. Post successful authentication, the member will receive links for the respective e-voting service provider i.e. CDSL where the e-voting is in progress.
- 4) For any technical assistance, Members may contact CDSL helpdesk by writing to helpdesk.evoting@cdslindia.com or calling at toll free no. 1800 22 55 33.
- 1) **Members already registered for IDeAS facility may follow the below steps:**
- i. Visit the following URL: <https://eservices.nsdl.com>
  - ii. On the home page, click on the “Beneficial Owner” icon under the ‘IDeAS’ section.  
  
On the new screen, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” under e-voting services.
  - iii. Click on Company name or e-voting service provider name i.e. CDSL and you will be re-directed to CDSL website for casting your vote.
- 2) **Members who have not registered for IDeAS facility may follow the below steps:**
- a) To register for this facility, visit the URL: <https://eservices.nsdl.com>
  - b) On the home page, select “Register Online for IDeAS”
  - c) On completion of the registration formality, follow the steps provided above.
- 3) **Members may alternatively vote through the e-voting website of NSDL in the manner specified below:**
- a) Visit the URL: <https://www.evoting.nsdl.com/>

	<p>b) Click on the “Login” icon available under the “Shareholder/Member” section.</p> <p>c) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP, as applicable, and the verification code shown on the screen.</p> <p>d) Post successful authentication, you will be redirected to the NSDL IDeAS site wherein you can see the e-voting page.</p> <p>e) Click on company name or e-Voting service provider name i.e. CDSL and you will be redirected to CDSL website for casting your vote.</p> <p>4) For any technical assistance, Members may contact NSDL helpdesk by writing to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or calling the toll free no.: 18001020990 or 1800224430.</p> <p><b>Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.</b></p>
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#### THROUGH DEPOSITORY PARTICIPANT(S)

Members may alternatively log-in using the credentials of the demat account through their Depository Participant(s) registered with NSDL/CDSL for the e-voting facility. On clicking the e-voting icon, members will be redirected to the NSDL/CDSL site, as applicable, on successful authentication. Members may then click on Company name or e-voting service provider name i.e. CDSL and will be redirected to CDSL website for casting their vote.

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#### Voting Process for Non-individual shareholders

- 1) The shareholders should log on to the e-voting website
- 2) [www.evotingindia.com](http://www.evotingindia.com).
- 3) Click on “Shareholders” module.  
Now enter your User ID

- a. For CDSL      16 digits beneficiary ID
- b. For NSDL      8 Character DP ID followed by 8 Digits Client ID

- 4) Next enter the Image Verification as displayed and Click on Login
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- 6) If you are a first-time user follow the steps given below:-

**PAN**                                      Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department

- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

**Dividend Bank Details OR Date of Birth (DOB)**      Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (viii)

- ix After entering these details appropriately, click on “SUBMIT” tab
- x Shareholders will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi Click on the EVSN: - 230901077 for the relevant Rachana Infrastructure Limited on which you choose to vote.
- xii On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire

Resolution details.

- xiv After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**xviii Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [rachanainfra404@gmail.com](mailto:rachanainfra404@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **B INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting
3. Members are encouraged to join the meeting through Laptops/Desktops/iPads for better experience. Further, the Members will be required to allow camera and use Internet with good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [info@rachanainfra.com](mailto:info@rachanainfra.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [info@rachanainfra.com](mailto:info@rachanainfra.com). These queries will be replied to by the company suitably by email.
6. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
7. Only those Members, who will be present in AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting prior to meeting day and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during AGM.
8. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at



toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

## **Contact Details:-**

**Company** Rachana Infrastructure Limited  
604, 6th Floor, Zion Z-One,  
Near Hotel Avalon, Off. Sindhubhavan Road,  
Ahmadabad GUJARAT 380054 INDIA  
Ph:- 07949172660,  
e-mail:- [rachanainfra404@gmail.com](mailto:rachanainfra404@gmail.com)  
Website:- [www.rachanainfra.com](http://www.rachanainfra.com)

**RTA** Bigshare Services Private Limited  
A-802 Samudra Complex,  
Off CG Road, Near Girish Cold Drinks,  
Navrangpura, Ahmedabad – 380009  
Email:- [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)  
Phone:-079-40024135  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

**ANNEXTURE TO THE NOTICE OF AGM  
 DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE  
 ANNUAL GENERAL MEETING**

Name of the Director	<b>Bhaminiben Baldevprasad Mehta</b>
Directors Identification Number [DIN]	01646822
Date of Birth and Age	31/01/1962 (61 Years)
Date of appointment on the Board	29/06/2001
Qualifications	B.Ed, M.A and M Phil
Directorship held in other Public Companies (excluding foreign, private and Section 8 companies)	Nil
Memberships/ Chairmanships of Committee of other public companies (includes only Audit Committee & Stakeholders' Relationship Committee)	Nil
Number of shares held in the Company	15,31,800
Expertise in Specific Area	Human Resource Policies and Good Governance
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company:	Mrs. Bhaminiben Mehta is spouse of Mr. Girish O Raval.

Name of the Director	<b>Dhwani Jaypalsinh Solanki</b>
Directors Identification Number [DIN]	10299290
Date of Birth and Age	18/03/1982 (41 Years)
Date of appointment on the Board	30/08/2023
Qualifications	B.C.A, CS
Directorship held in other Public Companies (excluding foreign, private and Section 8 companies)	Nil
Memberships/ Chairmanships of Committee of other public companies (includes only Audit Committee & Stakeholders' Relationship Committee)	Nil
Number of shares held in the Company	Nil
Expertise in Specific Area	Legal and drafting
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company:	Independent Director

**By Order of the Board of Directors**

**For, Rachana Infrastructure Limited**

**Place: Ahmedabad**

**Date: 30<sup>th</sup> August, 2023**

sd/-  
**Girishkumar O. Raval**  
**Chairman & Managing Director**  
**DIN: 01646747**

## ***EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013***

### **Item No. 3**

The Board at its meeting held on 30<sup>th</sup> August, 2023 on the recommendation of Audit Committee, has appointed M/s. Dalwadi and Associates, Partnership Firm having FRN: 000338, Cost Accountant, Ahmedabad as the Cost Auditor to conduct the audit of cost records of the Company for the financial year 2023-24 on a remuneration as may be decided after consultation with Board of Directors.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company. The Board recommends the aforesaid resolution for approval of the members.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested in the aforesaid resolution except to the extent of their shareholding. The Board recommends the said resolution to be passed as an ordinary resolution.

### **Item No. 4**

Pursuant to the board resolution dated 28th February, 2022 and the special resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 in the Extra-Ordinary General Meeting (“EGM”) by the shareholders of the Company held on March 02nd, 2022, the Company had raised Rs. 7627.5 Lakhs from the public via IPO of its equity shares (the ‘Issue’). The net proceeds from the Issue were Rs. 7627.5 Lakhs and Net proceeds available with Company was Rs. 3813.75 Lakhs after excluding Rs. 3813.75 Lakhs of Offer for sale (hereinafter referred to as “IPO Proceeds”).

The Company had, in terms of Prospectus dated May 09, 2022, proposed to utilise the IPO Proceeds towards;

1. Repayment of secured Loans;
2. Working capital requirement;
3. General Corporate Purpose;
4. Public Issue Expenses

The total money utilized for the objects of the Company stated in the prospectus, the extent of achievement of proposed objects and the unutilized money out of the money so raised through prospectus are as follows;

(Amount in Lakhs)

Sr. No.	Original Object of the Issue	Amount mentioned in Prospectus	as in	Amount Utilized	Balance Unutilized Amount	Deviation, If any
1	Repayment of Secured Loans	750.00		750.00	NIL	NA
2	Meeting Working Capital Requirements	2150.00		2150.00	NIL	NA
3	General Corporate Purpose	853.75		853.75	NIL	NA
4	Public Issue Expenses	60.00		35.79	24.21	NA
<b>Total</b>		<b>3813.75</b>		<b>3789.54</b>	<b>24.21</b>	<b>NA</b>

The particulars of the proposed alteration or change in the objects:

(Amount in Lakhs)

Sr. No.	Original Object of the Issue	Amount mentioned in Prospectus	as in	Balance Unutilized Amount	Proposed Allocation of Unutilized Amount
1	Repayment of Secured Loans	750.00		NIL	Nil
2	Meeting Working Capital Requirements	2150.00		NIL	Nil
3	General Corporate Purpose	853.75		NIL	24.21
4	Public Issue Expenses	60.00		24.21	(24.21)
<b>Total</b>		<b>3813.75</b>		<b>24.21</b>	

The reason for the alteration or change in the objects:

### 1) Reason for transfer of unutilized funds raised for Public Issue Expenses

In the year 2022 we floated our IPO and got listed on NSE EMERGE, the board while preparing for it estimated that there would be an expense of Rs 60.00 lakhs. Accordingly they set aside the said amount from the IPO Proceeds to fund the expenses. But, as on March 31, 2023 after paying all the expenses relating to IPO there remained an excess fund of Rs. 24.21 lakhs under the head of Public Issue Expenses. Hence, the Board hereby proposed to transfer the said excess money under the head of General Corporate Purpose so that it can be utilized in more profitable activities.

**The amount proposed to be utilised for the existing object i.e. mentioned in the prospectus:**

Rs. 24.21 Lakhs.

**The proposed time limit within which the proposed varied objects would be achieved:**

Within 24 months subject to obtaining any requisite approval wherever required.

**The estimated financial impact of the proposed alteration on the earnings and cash flow of the Company:**

The management of the Company is of the view that the proposed variation in terms of the Objects of the Issue will ensure optimum utilization of IPO Proceeds and maximize the return on investment for members. The management of the Company believes that the earnings and cash flows of the Company would improve in long term.

**The risk factors pertaining to the new objects:**

Market conditions, performance of economy at the country and global levels, Regulatory controls etc., that may come in future, unforeseen circumstances in spite of best efforts.

Accordingly, in terms of the provisions of Sections 27 of the Companies Act, 2013 and any other applicable provisions and the rules made thereunder, the Company seeks approval of the members by way of Special Resolution for variation in the Objects of the Issue as disclosed in the Prospectus dated May 09, 2022 for utilization of the issue proceeds pursuant to applicable provisions of the Companies Act, 2013 and relevant rules made there under (including any amendment thereto or re-enactment thereof for the time being in force) and subject to compliance of such other applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.

The intention of the Board and the Management is to enhance shareholder value by utilizing the issue proceeds adequately which will lead to increased profitability. Your Board recommends the resolution for the members' s approval by way of Special Resolution.

The promoter/shareholders in control shall provide an exit opportunity to the dissenting shareholders to the proposed resolution subject to the conditions as prescribed in the SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2018. The Promoters shall also appoint merchant banker, if required to determine the said exit offer price in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution of this Notice except to the extent of their shareholdings in the Company, if any. The Board, therefore, recommends resolutions set out under business item no. 04 for approval of the shareholders by way of Special Resolutions.



## Item No. 5

Mrs. Dhvani Jaypalsinh Solanki was appointed as an Additional independent Director of the Company with effect from 30th August, 2023, in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing member Meeting of the Company

Mrs. Dhvani Jaypalsinh Solanki is not disqualified from being appointed as independent Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as independent Director

The Board is of the view that the appointment of Mrs. Dhvani Jaypalsinh Solanki as Independent Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution for approval by the members of the Company

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mrs. Dhvani Jaypalsinh Solanki herself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

**By Order of the Board of Directors**

**For Rachana Infrastructure Limited**

**Place: Ahmedabad**

**Date: 30<sup>th</sup> August, 2023**

sd/-

**Girishkumar O. Raval**  
**Chairman & Managing Director**  
**DIN: 01646747**

## DIRECTOR'S REPORT

**Dear Members,**

Your directors take pleasure in presenting the 22<sup>nd</sup> Annual Report on business and operations along with Audited Financial Statements and the Auditor's report of your Company for the financial year ended 31<sup>st</sup> March, 2023.

### 1. Financial Results

The Financial Performance of the company for the year ended 31<sup>st</sup> March; 2023 is summarized as below:

(Rs. in Lakhs except EPS)

Particulars for the year ended	March 31,2023	March 31,2022
<b>Net revenue from Operations (Sales)</b>	<b>6522.90</b>	<b>6606.15</b>
Profit Before Depreciation, Exceptional Item and Tax	490.40	497.79
Less: Depreciation	490.40	204.91
<b>Profit Before Extra-ordinary Items and Tax</b>	<b>303.94</b>	<b>292.88</b>
Extra Ordinary Items	0.00	0.00
<b>Profit Before Tax</b>	<b>303.94</b>	<b>292.88</b>
Tax Expense		
-Current Tax	75.00	62.50
Less: MAT Credit Receivable	0.00	0.00
-Deferred Tax	2.73	9.61
<b>Profit After Tax</b>	<b>226.21</b>	<b>220.77</b>
EPS (Basic) (In Rs.)	1.22	1.19
EPS (Diluted) (In Rs.)	1.25	1.19

### 2. Overview Of Company's Financial Performance:

During the year under review, your Company has achieved a total net sale of Rs. 6522.90 lakhs and achieved Net Profit after Tax (NP) of Rs. 226.21 which is sustained the same compare to the previous financial years net sales and Net Profit after Tax. Your directors are optimistic about the performance of the Company in the coming years.

### 3. Share Capital

The authorised share capital of the Company as on date of balance sheet is Rs. 22,50,00,000/- divided into 2,25,00,000 equity shares of Rs.10/- each.

During the Year there is no any changes in the authorize capital of the Company.

During the Year Company has come up with initial public offer of 56,50,000 equity shares of face value of Rs.10/- each for cash at a price of Rs. 135 per equity share including a share premium of Rs. 125 per equity share (the “issue price”) Aggregating to Rs.7627.50 lakhs comprising of fresh issue of 28,25,000 equity shares of Rs. 135 per equity shares Aggregating to Rs. 3813.75 Lakhs and offer for sale of 28,25,000 equity shares by selling shareholders of Rs. 135 per equity shares Aggregating to Rs. 3813.75 Lakhs, of which 2,84,000 equity shares of face value of Rs.10 each will for cash at a price of Rs.135 per equity Share including a share premium of Rs.125 per equity share aggregating to Rs. 383.40 Lakhs will be reserved for subscription by market Maker to the issue. For more detail prospectus is available at website <https://rachanainfra.com/initial-public-offer/>.

After financial year and before signing of this report there is no change in the Authorised and Paid up share capital of the Company.

#### **a) Status of shares**

As the members are aware, the Company’s shares are compulsorily tradable in electronic form as on March 31, 2023, **100.00%** of the Company’s total paid up capital representing 1,86,05,000 shares (1,57,80,000 shares + issued during the year via IPO 2825000 shares) are in de-materialized form.

#### **b) Other shares**

Your company has not issued any equity shares with differential rights, sweat equity shares, employee stock options and did not purchase its own shares. Hence there is no information to be provided as required under Rule 4(4), Rule 8(13), Rule 12(9) and Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 and Section 62 of the Companies Act 2013 respectively.

## **4. Dividend**

Your directors do not recommend any dividend for the financial year ended 31st March, 2023.

## **5. Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

Since there was no unpaid/unclaimed dividend, the provision of Section 125 of the Companies Act, 2013 do not apply.

## **6. Change in the nature of business, if any-**

There is no change in the nature of business carried out by the Company in the Year 2022-23.

## 7. Amounts Transferred to Reserves:

For the financial year ended 31st March, 2023 of the Company propose to transfer a Sum of ₹ 226.21 Lakhs to Reserve during the financial year ended 31.03.2023.

## 8. Subsidiary, Joint Ventures and Associate Companies

During the year under review, your company has no subsidiaries, joint ventures or associate companies.

## 9. Public Deposit

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 (“the Act”) read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

## 10. Particulars of loan, Guarantees or Investment made under Section 186

During the period under review, the Company has not granted any Loans, given any Guarantees or provided Security or made Investments in terms of provisions of section 186 of the Companies Act, 2013.

## 11. Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <https://rachanainfra.com/annual-return/>

## 12. Directors & Key Management Personnel

### 1. Composition of Board & Board Meetings

The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. As on the date of this report, the Board comprises of 3 (Six) Directors, out of which 1 is Executive Directors, 2 is Non-Executive Director and 3 are Independent Directors. The Chairman of the Board is an executive Director. The Board of Directors duly met ten (07) times during the year.

## MEETING OF BOARD OF DIRECTORS:

Seven Board Meeting were held during the Financial Year ended 31.03.2023 The Maximum gap between the Meetings was within the limit prescribed under the Companies Act, 2013.

SN	Date of Meeting	Board Strength	No. of Directors Present
1.	05/04/2022	6	5
2.	15/04/2022	6	5
3.	06/07/2022	6	5
4.	06/08/2022	6	5
5.	01/09/2022	6	6
6.	12/11/2022	6	6
7.	07/03/2023	6	5

The Composition, category and attendance of each Director at the Board and Annual General Meeting and Number of other Directorship and Chairmanship/ Membership of Committee of each Director in various companies is as follows: -

Name of Director	Designation	Category	No of Board Meetings held during the year	No of Board Meetings attended during the year	Attendance at the Last AGM
Girishkumar Ochchhavlal Raval	CMD	Promoter	07	07	Yes
Bhaminiben Baldevprasad Mehta	NED	Promoter	07	07	Yes
Ashokkumar Raval	NED	Promoter Group	07	07	Yes
Kalpiti Manishbhai Dave	NED	Independent	07	06	Yes
Saureen Bhartkumar Patel	NED	Independent	07	07	Yes
Bhartkumar Chaudhary	NED	Independent	07	02	Yes

\*CMD- Chairman and Managing Director

\*NED- Non-Executive Director



## II. Appointments:

During the financial year there are no any change in board of directors.

After Financial Year in consideration and on or before date of this report, In the Meeting of Board of Directors dated on 30/08/2023 Mrs. Dhvani Jaypalsinh Solanki (DIN: 10299290) was appointed as an Additional Independent Director subject to regularisation in the 22<sup>nd</sup> Annual General Meeting as due to resignation of Non-Executive Independent Director Mr. Saureen Bharatkumar Patel (DIN: 08575790) w.e.f 30/08/2023 place of independent director was vacant.

## III. Cessations:

During the year under review, no any director has resigned but after financial year in consideration and on or before the date of signing of this reposrt, Mr. Saureen Bharatkumar Patel (DIN: 08575790) was resigned from the office of the Non-Executive Independent Director w.e.f 30.08.2023.

## IV. Retirement by Rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, and Companies Articles of Association, Mrs. Bhaminiben Baldevprasad Mehta (DIN: 01646822), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Necessary resolution for his re-appointment is placed before the shareholder for approval.

## V. Profile of Directors seeking appointment / reappointment:

As required under regulation 36(3) of SEBI (LODR), 2015, particulars of the Directors retiring and seeking reappointment at the ensuing Annual General Meeting is annexed to the notice convening 22<sup>nd</sup> Annual General Meeting.

## VI. Key Managerial Personnel:

As on the dated 31/03/2023, the following persons are the Key Managerial Personnel(s) of the Company:

- a) Mr. Girishkumar Ochchhavlal Raval, Chairman & Managing Director
- b) Ms. Ishita Prakashkumar Raval, Chief Financial Officer
- c) Mr. Smit Dhanvantkumar Shah, Company Secretary & Compliance Officer

## VII. Declaration from Independent Director:

All the Independent Directors of the Company have given their declarations stating that they meet the criteria of independence as prescribed under the Section 149(6) of the Companies Act, 2013 read with the rules made there under and read with Regulation 16(1)(b) of the Listing Regulations in the opinion of the Board, the Independent Directors meet the said criteria.

During the year under review the Independent Directors duly met pursuant to the provisions as specified in Schedule IV of the Companies Act, 2013 and the quorum was present throughout the meeting.

## 13. BOARD COMMITTEES

Your Company has four Committees of the Board, namely:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Stakeholders' Relationship Committee
- IV. Corporate Social Responsibility Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in detail as below:

### I. Audit Committee:

The Audit Committee is duly constituted vide Board Resolution dated 20<sup>th</sup> December, 2019 in accordance with SEBI (LODR) Regulations 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time and Audit Committee reconstituted on February 28, 2022 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The reconstituted Audit Committee comprises following members. (There are no any changes in the members of the Committee but changes are in the terms and conditions of the committee only)

Name	Category	Position	Number of meetings held	Number of meetings attended
Mr. Saureen Bharatkumar Patel	Independent Director	Chairman	04	04
Mr. Kalpit Manishbhai Dave	Independent Director	Member	04	04
Ms. Bhaminiben Baldevprasad Mehta	Director	Member	04	04

Two third of the members are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors' qualifications, compliance with Accounting Standards etc. and oversee compliance with Stock Exchanges and legal requirements concerning financial statements and fixation of audit fee as well as payment for other services etc.

Four Audit Committee meetings were held during the year 2022-23 on 06/08/2022, 01/09/2022, 12/11/2022 and 07/03/2023.

## II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted vide Board Resolution dated December 20, 2019 in accordance with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time and reconstituted on February 28, 2022. The Nomination and Remuneration Committee comprises the following members:

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Bharatkumar Dipakbhai Chaudhary	Independent Director	Chairman	01	01
Mr. Saureen Bharatkumar Patel	Independent Director	Member	01	01
Mr. Dave Kalpit Manishbhai	Non-Executive Director	Member	01	01

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013 formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key Managerial Personnel and other employees. The said policy is available on the Website of the Company at <https://rachanainfra.com/policies/>.

Nomination and Remuneration Committee Meeting was held once during the year 2022-23 on 12/11/2022.

### III. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has formed as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated February 28, 2022. The constituted Stakeholders Relationship Committee comprises the following members:

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Kalpit Manishbhai Dave	Independent Director	Chairman	01	01
Mr. Saureen Bharatkumar Patel	Independent Director	Member	01	01
Ms. Bhaminiben Baldevprasad Mehta	Non-Executive Director	Member	01	01

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipt of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints.

Stakeholders Relationship Committee meetings was held once during the year 2022-23 on 12-11-2022.

### IV. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has formed as per Section 135 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated December 20, 2019. The constituted Corporate Social Responsibility Committee comprises the following members:

- A. To recommend the policy on Corporate Social Responsibility (CSR) and Implementation of the CSR Projects or program to be undertaken by the company as per the CSR Policy for consideration and approval by the Board of Directors.
- B. Recommend the amount of expenditure to be incurred on the corporate social responsibility activities; and
- C. Monitor the implementation of the Company's corporate social responsibility policy.

During the financial year ended 31<sup>st</sup> March, 2023, the Company has done CSR expenditure of Rs. 10,20,000 (Rupees Ten Lakhs Twenty Thousand Only).

The CSR project has three initiatives – Education for young girls’ class 8-12; Skill training for women and Remedial Education for young girl students class 1-7. The aim of the project is:

- 1) To provide education to girls to empower them.
- 2) To provide skill training to make women self-reliant.
- 3) To provide after school tuitions or non-formal education to bridge the gaps in learning.

The Corporate Social Responsibility Committee comprises the following:

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Kalpit Manishbhai Dave	Independent Director	Chairman	2	2
Mr. Saureen Bharatkumar Patel	Independent Director	Member	2	2
Ms. Bhaminiben Baldevprasad Mehta	Director	Member	2	2

CSR meetings was held once during the year 2022-23 on 12/11/2022.

The Company’s CSR Policy statement and Annual Report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March, 2023 in accordance with section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in “**Annexure - A**” to this Report.

## 14. Compliance Officer

During the year under review Mr. Smit Dhanvantkumar Shah is a Compliance Officer of the Company who is also designated as Company Secretary of the Company.

## 15. Statements on Formal Annual Evaluation of Board

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees, and of the Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meetings held for various purposes evaluates the performance of all the Directors, committees and the Board as a whole. The Board considers the recommendation made by Nomination and

Remuneration Committee in regard to the evaluation of board members and also tries to discharge its duties more effectively. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

## **16. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of report.

## **17. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and Company's operations in future.

## **18. Auditors**

### **1. Statutory Auditors:**

M/s. Ankit Chokshi & Co., Chartered Accountants [FRN-121722W] Ahmedabad were appointed as the Statutory Auditors of the Company for a term of five consecutive years at the 19th Annual General Meeting held on December 30, 2020 till the conclusion of 24th AGM to be held in the Calendar year 2025 i.e for FY 2020-2021 to 2024-2025 at a remuneration of ₹ 2,35,000 (Rupees Two Lakh Thirty Five Thousand Only) to conduct the audit for the Financial Year 2020-2021 payable in One or more Instalments plus Goods and Services tax as applicable.

In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Board has reviewed the Statutory Auditors' Report on the Accounts of the Company. The observations and comments, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under section 134 of the Act.

## 2. Cost Auditors:

Pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder and the Cost Audit orders issued from time to time, the Board of Directors has appointed M/s Dalwadi and Associates, Cost Accountants (FRN: 000338) as a Cost Auditors to conduct the audit of cost records of the Company. The Company has received consent from M/s Dalwadi and Associates, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the Company along with a certificate confirming their independence and arm's length relationship.

The Ordinary Resolution seeking approval from members for remuneration payable to the said Cost Auditor forms a part of the Notice of this Annual General Meeting.

## 3. Secretarial Auditors:

In terms of Section 204 of the Act and Rules made there under, Mukesh H Shah & Co., Practicing Company Secretary has been appointed as Secretarial Auditor of the Company for FY 2023-24. The report of the Secretarial Auditor for FY 2022-23 is enclosed to this report as “**Annexure - E**”. The report is self-explanatory.

## 4. Internal Auditors:

M/s. Ankit P Gupta & Co., Chartered Accountants, Ahmedabad has been appointed as Internal Auditors of the Company for FY 2023-24. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the Internal Audit of the Company, to the Audit Committee on a half yearly basis. The scope of internal audit is approved by the Audit Committee.

## 19. Personnel

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Report and marked as “**Annexure - B**”. No employee of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 20. Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the Listing Regulations is given as “**Annexure - C**” to this report.



## 21. Conservation of energy, technology absorption and foreign exchange earnings and outgo

### A. CONSERVATION OF ENERGY:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption are not required to be reported considering the nature of activities undertaken by the company during the year under review.

### B. TECHNOLOGY ABSORPTION:

- i. the efforts made towards technology absorption: **None**
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution: **None**
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - a) the details of technology imported: **None**
  - b) the year of import: **N.A.**
  - c) whether the technology been fully absorbed: **N.A.**
  - d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **N.A.**
  - e) the expenditure incurred on Research and Development: **Nil**

### C. Foreign exchange Earnings & Outgo

The company has not done any transactions whereby it is required to report foreign exchange earnings as well as outgo.

- Foreign Exchange Earning: NIL
- Foreign Exchange Outgo: NIL

## 22. Particulars of contracts or arrangements with related parties:

Form AOC-2 is attached herewith as **Annexure D**.

## 23. Statement regarding the development and implementation of Risk Management Policy

The Company has not developed and implemented any risk management policy as the risk threatening the business activity carried out by the Company during the year are minimal.

## 24. Board Evaluation

The Board carried out an annual performance evaluation of its own performance, the performance of the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

## 25. Adequacy of Internal Financial Control

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2023, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

During the year, no reportable material weakness was observed.

## 26. Directors' Responsibility Statement

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 27. Listing

The Equity shares of the Company are listed on SME platform of NSE (NSE EMERGE) on dated 10/06/2022 and the Company has paid all listing expenses and fees as required.

## 28. Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment.

Your directors declared and confirm that, during the year under review, there is no case filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 29. Vigil Mechanism

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company <https://rachanainfra.com/policies/>

## 30. Code Of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company which is posted on the website of the Company under Investor Info/Policies/Code of Conduct. All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis.

## 31. Familiarisation Programme for Independent Director

The Company has made practice of regularly informing the Directors all the changes in the Company as well as changes in laws which are applicable to the Company at Board meeting held during the year.

## 32. Business Risk Management

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/ mitigating the same. The Company has framed a formal Risk Management Framework for risk assessment and risk

minimization which is periodically reviewed to ensure smooth operation and effective management control. The Audit Committee also reviews the adequacy of the risk management framework of the Company, the key risks associated with the business and measure and steps in place to minimize the same.

### 33. Human resources

Your company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the company's vision. Your company appreciates the spirit of its dedicated employees.

### 34. Corporate Governance

Your Company has been complying with the principals of good Corporate Governance over the years and is committed to the highest standards of compliance. Pursuant to regulation 15(2) of the SEBI (LODR) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para-C, D and E of schedule V shall not apply to the listed entity which has listed its specified securities on the SME Exchange.

Therefore, the Corporate Governance Report is not applicable on the Company and therefore not provided by the Board.

### 35. Independent Directors' Meeting

The Independent Directors met on December 11, 2022 to discuss the performance evaluation of the Board, Committees, Chairman and the individual Directors.

The Independent Directors reviewed the performance of the non-independent Directors and Board as a whole. The Performance of the Chairman taking into account the views of Executive Directors and non-executive Directors and assessed the quality, quantity and timeline of flow of inform action between Company management and Board.

### 36. Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

## **37. The details application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016:**

During the financial year ended on March 31, 2023, there is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company.

## **38. The details of 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 along with the reason thereof:**

Not applicable during the year under review.

## **39. Report On Frauds**

There were no frauds reported during the year.

## **40. Acknowledgement**

Your directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them.

Your directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

**By Order of the Board of Directors  
For, RACHANA INFRASTRUCTURE LIMITED**

**Date:** 30/08/2023  
**Place:** Ahmedabad

Sd/-  
**Girishkumar Ochchhavlal Raval**  
Chairman & Managing Director  
**DIN: 01646747**

**Annexure- "A"**  
**CORPORATE SOCIAL RESPONSIBILITY**

**1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs:**

The Company has adopted a Corporate Social Responsibility ("CSR") Policy in accordance with the applicable provisions of Companies Act, 2013 and allied rules (hereinafter referred as "the Act"). This Policy is a guideline for Company's CSR activities intended to support local communities on a variety of socially desirable activities with a view to enable high impact and ensure measurable outcomes of the funds deployed towards such activities. The Company believes that economic value and social value are interlinked. A firm creates economic value by creating social value.

The CSR policy of the Company is stated in [www.rachanainfra.com](http://www.rachanainfra.com)

**2. CSR Committee:**

The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013; recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and programme is in compliance with the CSR Policy of the Company.

**3. Composition of the CSR Committee as on 31<sup>st</sup> March, 2023:**

In accordance with the provisions of section 135 of Companies Act, 2013 read with Rule 5 of Companies (CSR Policy) Rules, 2014, the Company has constituted its CSR Committee, which presently comprises of three Directors.

<b>Name</b>	<b>Category</b>	<b>Position</b>
Mr. Kalpit Manishbhai Dave	Independent Director	Chairman
Mr. Saureen Bharatkumar Patel	Independent Director	Member
Ms. Bhaminiben Baldevprasad Mehta	Director	Member

**4. Average Net Profit of the Company for the last three financial years: Rs. 5,09,37,631/-**

**5. Prescribed CSR Expenditure: Rs. 10,18,753/-**

## 6. Details of CSR spent for the financial year:

- a) Total amount spent for the financial year: Rs. 10,20,000/-
- b) Amount unspent, if any: Nil\*
- c) Manner in which the amount spent during the financial year is detailed below:

The CSR activities/projects are implemented in accordance with the provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

S. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district was projects or programs were undertaken	Amount outlay (budget ) Project or programs wise	Amount spent on the Projects or programs Sub-heads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Education Programme for Women	Promoting Education	The Company has donated to trust located in Ahmedabad which is carrying out the education activities for women empowerment.	No	Rs. 10,20,000/-	Rs. 10,20,000/-	Through Vivek Foundation CSR-1 No- CSR00032 172

**By Order of the Board of Directors  
For, RACHANA INFRASTRUCTURE LIMITED**

**Date:** 30/08/2023  
**Place:** Ahmedabad

Sd/-  
**Girishkumar Ochchhavlal Raval**  
Chairman & Managing Director  
DIN: 01646747



**ANNEXURE-“B”**

*The ratio of the remuneration of each Director to the median employee’s remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:*

<b>Sr. No.</b>	<b>Requirements</b>	<b>Disclosure</b>	
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Managing Director	3.09 times
II.	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	No increase	
III.	The percentage increase in the median remuneration of employees in the financial year	10 to 15%	
IV.	The number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2023	Approximately 120 to 130 employees.	
V.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil	
VI.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	

**By Order of the Board of Directors  
For, RACHANA INFRASTRUCTURE LIMITED**

**Date:** 30/08/2023  
**Place:** Ahmedabad

Sd/-  
**Girishkumar Ochchhavlal Raval**  
Chairman & Managing Director  
**DIN:** 01646747

## **ANNEXURE- "C"** **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE & DEVELOPMENT**

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we or any of our respective affiliates or advisors nor any other person connected to us have verified this information.

India has the second-largest road network in the world at about 62.16 lakh km. The National Highways/ Expressways measure 1,36,440 km and State Highways measure 1,76,818 km and Other Roads measure 59,02,539 km in FY 2020-21. Ministry of Roads and Highways constructed 34 Km of National Highways per day in 2020-21. India has a world record of making 38 KMs per day his target is going upto more than 100 KMs per day. The implementation agencies of the Ministry of Road Transport and Highways include:

- ✓ National Highways Authority of India
- ✓ State/Union Territories Public Works Departments
- ✓ National Highway and Infrastructure Development Corporation Limited
- ✓ Border Roads Organization
- ✓ Indian Academy of Highway Engineers (IAHE)

Historically, the government has been the primary stakeholder in investments in the transport sector. However, to boost private sector participation, the Ministry of Road Transport and Highways has laid down comprehensive policy guidelines for private companies to participate in the development of National Highways.

Highest ever construction of 34 km per day of National Highways in 2020-21. 12,205.25 km National Highways constructed in India during FY 2020-21. Ministry has constructed 1,470 km of National Highways in May 2021 as compared 847 km in May 2020.

### **OPPORTUNITY AND THREATS**

The Government offers various incentives to attract Private Investment and Foreign Direct Investment in

the roads and highways sector. The Government bears the following costs:

- ✓ Duty-free import of high capacity and modern road construction equipment
- ✓ 100% tax exemption in any consecutive 10 years out of 20 years after commissioning of the project
- ✓ Subsidy up to 40 % of the project cost to make project viable
- ✓ Environment clearance, cutting of trees, etc.
- ✓ Shifting of utilities
- ✓ Land for the right of way and wayside amenities
- ✓ Project Feasibility Study

About USD 1.4 Tn will be invested on infrastructure in India from 2020 to 2025. The National Infrastructure Pipeline (NIP) set up by the government unveils the infrastructure projects across various states which will receive this funding. To build domestic capacity and enhance execution by private sector participants, NIP promotes collaborations and joint ventures with strong global infrastructure developers. Roads and Highways will receive total funding of about USD 26.9 Bn under the NIP projects. About 39 of these projects are proposed to be implemented by the private sector.

Setu Bharatam: The Ministry of Road Transport and Highways has envisaged a plan for replacement of Level Crossings on National Highways by ROB/ RUBs under a scheme, Setu Bharatam.

## **SEGMENTAL REVIEW AND ANALYSIS**

Your Company was having more than two decades of experience in infrastructure and civil construction work. Your company is mid-size private sector company engaged in the business of Construction of Road projects on Bill of Quantities (BOQ) and EPC basis. Your Company continues to operate in three business segments only i.e., Road and Highway Construction projects, Trading and Quarry Mining.

Road and Highway Construction project plays a major role in the core business of our company. We are proud to say that since last few years we are making more than 100 Kilometer Lane every year. We are specialised in construction of all type of roads like Four Lane Highway, Two Lane Highway, State Highway, Major District Road. We are also involved in roads for Urban Development Town Planning Schemes and also Resurfacing & Reconstruction of roads in City as well. We have done mining works for various clients at our own Mines at Vadagam, Gujarat. In these mining project the mines are almost 100 ft below ground level and million tons of aggregate has been produced from this project so far.

## **OUTLOOK**

Post pandemic, demand for Black trap, Roads and Bridge Construction and its related products has gone up.

Increased penetration of organized retail sector, growing population and rising income levels are likely to drive demand for construction projects.

The rapid deterioration of the global economic outlook following the pandemic and Russia-Ukraine war has severely impacted demand and margins. The major focus of the industry will be on cost cutting measures, improving productivity and quality and reduction in wastage.

## RISK AND CONCERN

We own a large fleet of equipment and have a large number of employees, resulting in increased fixed costs to our Company. In the event we are not able to generate adequate cash flows it may have a material adverse impact on our operations.

We operate in a highly competitive environment and may not be able to maintain our market position, which may adversely impact our business, results of operations and financial condition.

Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

## INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company's internal control systems and procedures commensurate with the size and nature of its operations. The Company has adequate system of Internal Controls to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The management periodically reviews the internal control systems and procedures for efficient conduct of the Company's business. Internal Audit is conducted by independent Chartered Accountants, on quarterly basis. To maintain its objectivity and independence, the Internal Auditors report directly to the Audit Committee of the Board. The Audit Committee reviews the Internal Audit Reports and effectiveness of the Internal Control Systems. If required, the corrective actions are taken and the controls strengthened.

## KEY RATIOS

Sr. No.	Particular	Ratio For F.Y.		% Change
		2022-23	2021-22	
1.	<b>Debtors Turnover Ratio</b> <b>Formula:</b> Debtors Turnover Ration= Net Credit Sales/Average Account Receivable <b>Definition:</b> The Debtors Turnover Ratio also called as Receivables Turnover Ratio shows how quickly the credit sales are converted into the cash. This ratio measures the efficiency of a firm in managing and collecting the credit issued to the customers.	3.68 Times	2.81 Times	31 %
2.	<b>Inventory Turnover Ratio</b> <b>Formula:</b> Inventory Turnover= Cost of Goods	6.57 Times	11.20 Times	41 %

	<p>Sold / Average Inventory</p> <p><b>Definition:</b> Inventory turnover is a ratio showing how many times a company has sold and replaced inventory during a given period. A company can then divide the days in the period by the inventory turnover formula to calculate the days it takes to sell the inventory on hand.</p>			
3.	<p><b>Interest Coverage Ratio</b></p> <p><b>Formula:</b> Interest Coverage Ratio= Interest Expense/EBIT</p> <p><b>Definition:</b> The interest coverage ratio measures how many times a company can cover its current interest payment with its available earnings. The ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) by the company's interest expenses for the same period.</p>	0.46 Times	0.55 Times	16 %
4.	<p><b>Current Ratio</b></p> <p><b>Formula:</b> Current Ratio=Current assets/ Current liability</p> <p><b>Definition:</b> The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. It compares a firm's current assets to its current liabilities, and is expressed as follows: The current ratio is an indication of a firm's liquidity.</p>	4.66 Times	1.75 Times	165 %
5.	<p><b>Debt Equity Ratio</b></p> <p><b>Formula:</b> Debt Equity Ratio = non-current borrowings (+) current borrowings (-) cash and cash equivalent /Total Equity</p> <p><b>Definition:</b> The debt-to-equity ratio is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets. Closely related to leveraging, the ratio is also known as risk, gearing or leverage.</p>	0.28 Times	0.68 Times	59 %
6.	<p><b>Operating Profit Margin Ratio Formula:</b></p> <p>Operating profit margin = *Operating income/ Total revenue</p> <p>*Operating Income excluding Exceptional Item</p> <p>Operating profit margin =</p> <p>**Operating income/ Total revenue</p>	4.66 %	4.43%	5%

	<p><b>**Operating Income including Exceptional Item</b></p> <p><b>Definition:</b> In business, operating margin—also known as operating income margin, operating profit margin, EBIT margin and return on sales — is the ratio of operating income to net sales, usually presented in percent. Net profit measures the profitability of ventures after accounting for all costs.</p>			
7.	<p><b>Net Profit Margin Ratio</b></p> <p><b>Formula:</b> Net Profit Margin= Net Profit/ Sales</p> <p><b>Definition:</b> The net profit percentage is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized.</p>	2.51%	4.42%	43%
8.	<p><b>Return on Net Worth Ratio</b></p> <p><b>Formula:</b> Net Income/Shareholder's Equity</p> <p><b>Definition:</b> The return on Net Worth is a measure of the profitability of a business in relation to the equity.</p>	8.36 %	19.78 %	58 %

## FINANCIAL AND OPERATIONAL PERFORMANCE

(Amount in Lakhs. Except EPS)

Particulars for the year ended	March 31,2023	March 31,2022
Net revenue from Operations (Sales)	6522.9	6606.15
Profit Before Depreciation and Tax	490.4	497.79
Less: Depreciation	186.46	204.91
<b>Profit Before Extra-ordinary Items and Tax</b>	303.94	292.88
Extra Ordinary Items	0.00	0.00
<b>Profit Before Tax</b>	303.94	292.88
Tax Expense		
-Current Tax	75.00	62.50
Less: MAT Credit Receivable	0.00	0.00
-Deferred Tax	2.73	9.60
Profit After Tax	<b>226.21</b>	<b>220.77</b>
EPS (Basic) (In Rs.)	1.22	1.40
EPS (Diluted) (In Rs.)	1.25	1.40

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The employees on roll in the Company as on 31st March 2023 were 160. Relations with the employees were cordial throughout the year. The Company provides to its employees' favourable work environment conducive to good performance with high degree of quality and integrity. The Company continuously nurtures this environment to keep its employees highly motivated and result oriented. Effective Human Resource Practices and customized training programmes enable building a stronger performance culture.

The Company took measures to protect its employees during Covid-19 pandemic. The Company introduced safety norms, created continuous awareness about the pandemic and introduced preventive and safety measures including workplace sanitization, thermal screening, demarcation of work areas, etc.

## **CAUTIONARY STATEMENT**

Statements in this Management Discussions and Analysis Report describing the Company objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable security laws or regulations. These statements are based on reasonable assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Factors that could make a difference to the Company's operations include market price both domestic and overseas availability and cost of raw materials, change in Government regulations and tax structure, economic conditions affecting demand / supplies and other factors over which the Company does not have any control. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in future.

**By Order of the Board of Directors  
For, RACHANA INFRASTRUCTURE LIMITED**

**Date:** 30/08/2023

**Place:** Ahmedabad

Sd/-  
**Girishkumar Ochchhavlal Raval**  
Chairman & Managing Director  
**DIN: 01646747**



**Annexure-“D”  
FORM NO. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto of **Rachana Infrastructure Limited as on 31/03/2023:**

<b>A. Details of contracts or arrangements or transactions not at arm’s length basis</b>		<b>(Amount in Lakhs)</b>	
(a) Name(s) of the related party and nature of relationship	- NIL-		
(b) Nature of contracts/arrangements/transactions	- NIL-		
(c) Duration of the contracts / arrangements/transactions	- NIL-		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	- NIL-		
(e) Justification for entering into such contracts or arrangements or transactions	- NIL-		
(f) date(s) of approval by the Board	- NIL-		
(g) Amount paid as advances, if any:	- NIL-		
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	- NIL-		
<b>B. Details of material contracts or arrangement or transactions at arm’s length basis</b>		<b>(Amount in Lakhs)</b>	
(a) Name(s) of the related party and nature of relationship;	Girish Raval		
(b) Nature of contracts/arrangements/transactions;	Remuneration Paid	45.0	0
	Loan Taken	356.8	5

	Loan Repaid	516.4 3
(c) Duration of the contracts / arrangements/transactions;	From 01/04/2022 To 31/03/2023	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any;	Amount not Exceeding Rs. 918.28	
(e) Date(s) of approval by the Board, if any:	15/04/2022	
(f) Amount paid as advances if any:	- NIL-	

(a) Name(s) of the related party and nature of relationship;	Ashok Raval	
(b) Nature of contracts/arrangements/transactions;	Interest Paid	28.91
	Loan Repaid	100.00
(c) Duration of the contracts / arrangements/transactions;	From 01/04/2022 To 31/03/2023	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any;	Amount not Exceeding Rs. 128.91	
(e) Date(s) of approval by the Board, if any:	15/04/2022	
(f) Amount paid as advances if any:	- NIL-	

(a) Name(s) of the related party and nature of relationship;	Jaydeep Raval	
(b) Nature of contracts/arrangements/transactions;	Remuneration Paid	
(c) Duration of the contracts / arrangements/transactions;	From 01/04/2022 To 31/03/2023	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any;	Amount not Exceeding Rs. 30	

(e) Date(s) of approval by the Board, if any:	15/04/2022
(f) Amount paid as advances if any:	- NIL-

(a) Name(s) of the related party and nature of relationship;	Brijesh Raval
(b) Nature of contracts/arrangements/transactions;	Remuneration Paid
(c) Duration of the contracts / arrangements/transactions;	From 01/04/2022 To 31/03/2023
(d) Salient terms of the contracts or arrangements or transactions including the value, if any;	Amount not Exceeding Rs. 33
(e) Date(s) of approval by the Board, if any:	15/04/2022
(f) Amount paid as advances if any:	- NIL-

(a) Name(s) of the related party and nature of relationship;	Ishita Raval
(b) Nature of contracts/arrangements/transactions;	Remuneration Paid
(c) Duration of the contracts / arrangements/transactions;	From 01/04/2022 To 31/03/2023
(d) Salient terms of the contracts or arrangements or transactions including the value, if any;	Amount not Exceeding Rs. 12
(e) Date(s) of approval by the Board, if any:	15/04/2022
(f) Amount paid as advances if any:	- NIL-

(a) Name(s) of the related party and nature of relationship;	Devanshi Dave
(b) Nature of contracts/arrangements/transactions;	Remuneration Paid
(c) Duration of the contracts / arrangements/transactions;	From 01/04/2022 To 31/03/2023
(d) Salient terms of the contracts or arrangements or transactions including	Amount not

the value, if any;	Exceeding Rs. 12
(e) Date(s) of approval by the Board, if any:	15/04/2022
(f) Amount paid as advances if any:	- NIL-

(a) Name(s) of the related party and nature of relationship;	Bhamini Infrastructure Private Limited	
(b) Nature of contracts/arrangements/transactions;	Purchase of Goods	42.11
	Sale of Goods	42.76
	Interest Received	16.42
	Acceptance of Deposit	458.84
	Repayment of Deposit	199.3
(c) Duration of the contracts / arrangements/transactions;	From 01/04/2022 To 31/03/2023	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any;	Amount not Exceeding Rs. 759.43	
(e) Date(s) of approval by the Board, if any:	15/04/2022	
(f) Amount paid as advances if any:	- NIL-	

(a) Name(s) of the related party and nature of relationship;	Om Education Trust	
(b) Nature of contracts/arrangements/transactions;	Interest Paid	58.30
	Rent Income	108.84
	Acceptance of Deposit	22.45

	Repayment of Deposit	320.85
(c) Duration of the contracts / arrangements/transactions;	From 01/04/2022 To 31/03/2023	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any;	Amount not Exceeding Rs. 510.44	
(e) Date(s) of approval by the Board, if any:	15/04/2022	
(f) Amount paid as advances if any:	- NIL-	

*Annexure- "E"*

*Form MR-3*

**SECRETARIAL AUDIT REPORT**

*For the financial year ended March 31, 2023*

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Rachana Infrastructure Limited  
604, 6th Floor, Zion Z- One  
Nr. Hotel Avalon, Off. Sindhubhavan Road  
Ahmedabad-380 054,  
Gujarat, INDIA

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rachana Infrastructure Limited [CIN:-L45203GJ2001PLC039725] (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023("Audit Period"), generally complied with the statutory provisions listed hereunder 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:

I have examined the books, papers, minute books, forms and returns filed and maintained by the Company for the financial year ended on 31st March, 2023 and made available to me according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable to the Company during the audit period);
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable to the Company during the audit period);and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable to the Company during the audit period);
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
  - a) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
  - b) The Employees State Insurance Act, 1948

I have also examined compliance with the applicable clauses/regulations of the following:

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



We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- a) The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.
- b) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Directors and Independent Directors. The changes if any in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent 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.
- d) All decisions of the Board and Committees were carried with requisite majority.

I 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.

We further report that there was appointment / re-appointment / resignation of statutory auditor of the Company during the review period, and the Company has duly complied the clauses of the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

I further report that during the audit period:

1. In the Month of June, 2022, the company conducted SME IPO (Including OFS) and got its shares listed on at NSE EMERGE (SME Platform) and are traded on the exchange w.e.f 10th June, 2022.

2. In the said IPO, 56,50,000 Equity shares of Rs. 10/- each for cash at a price of Rs.135/- per equity share aggregating to ₹7627.5 Lakhs was raised. Out of the 56,50,000 shares issued by the Company 28,25,000 shares were fresh issue by which Company got ₹3813.75 Lakh and remaining issue of 28,25,000 were offer for sale by the existing Shareholder of the Company before the issue. This resulted into corresponding change in capital structure of the Company.

For, Mukesh H. Shah & Co.  
Company Secretaries

Place: Ahmedabad  
UDIN NO: F005827E000783692  
Date: 11.08.2023

Mukesh H. Shah  
Proprietor  
CP. NO. 2213 FCS NO.: 5827  
Peer Review Certificate No.:- 690/2020

**Note:**

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

## Annexure to the Secretarial Audit Report

To,  
The Members,  
Rachana Infrastructure Limited  
604, 6th Floor, Zion Z- One  
Nr. Hotel Avalon, Off. Sindhubhavan Road  
Ahmedabad-380 054,  
Gujarat, INDIA.

My secretarial audit report for the financial year 31st March, 2023 is to be read along with this letter.

### Management's Responsibility

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

### Auditor's Responsibility

2. My Responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. I believe that Audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

5. 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.
6. I have not verified the correctness and appropriateness of financial records and books of account of the company.

For, Mukesh H. Shah & Co.  
Company Secretaries

Place: Ahmedabad  
UDIN NO: F005827E000783692  
Date: 11.08.2023

Mukesh H. Shah  
Proprietor  
CP. NO. 2213 FCS NO.: 5827  
Peer Review Certificate No.:- 690/2020

## INDEPENDENT AUDITORS REPORT

To,  
The Members of  
Rachana Infrastructure Limited,  
Ahmedabad.

### Report on the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of **Rachana Infrastructure Limited** (“the Company”), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, the Cash Flow Statement and notes to the financial statements for the year ended on March 31, 2023, including a summary of significant accounting policies and other explanatory information.

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, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended, (“AS”) and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

#### Key Audit Matter

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

We have determined that there are no key audit matters to be communicated in our report

#### Emphasis of matter:

Attention is invited to Note No. 09 to the financial statement regarding Rs. 9,50,00,000/- (Rupees Nine Crore Fifty Lakhs only) advanced during the year to an individual for the purpose of carrying joint venture business of acquisition of land for construction and development of residential and commercial properties on agreed terms. Subsequent to advancing the money there is no further progress in this regard.

Our opinion is not modified in this regard.

## **Information other than Financial Statements and Auditor's Report thereon:**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including annexures, Corporate Governance and information for Shareholders, but does not include the Financial Statements and our auditors' report thereon.

- Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such 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. We have nothing to report in this regard.

## **Responsibilities of Management 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, including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, management 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 management 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.

## Auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 of the Order;
2. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. As required by Section 143(3) of the Act, 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 purposes 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 that we have been represented by the management that the Company is in process of complying with the requirement of maintaining server(s) physically located in India for back-up of books of account on a daily basis as required pursuant to amendment in Companies (Accounts) Rules, 2014 on August 5, 2022;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of, the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021, as amended to the extent applicable.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. Company did not have any long-term contracts including derivatives 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 ended 31 March, 2023.
- (a) The Management has represented that, to the best of it’s knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 it’s knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

- (c) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- (i) The Company has not proposed/declared/paid any dividend during the year. Hence, reporting the compliance with Section 123 of the Act is not applicable.

For, Ankit Chokshi & Co.,  
(F.R. No: 121722W)  
(Chartered Accountants)

Place : Ahmedabad  
Date : 30.05.2023

(Anish Jhaveri)  
(M. No: 111556)  
Partner  
(UDIN:23111556BGZZML1535)

## ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i.	(a)	[A] The company has maintained records showing particulars of Property, Plant and Equipments but such records does not include quantitative details and situation of plant and Equipments. The situation of the movable assets used in the construction activity keeps on changing from works sites depending upon requirements for a particular contract.  [B] The Company has maintained proper records showing full particulars of intangible assets.
	(b)	The Company has a program of verification to cover all the items of Property, Plant and Equipments in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.  Pursuant to the program, certain Property, Plant and Equipments were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
	(c)	According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for Term loans and working capital limits are held in the name of the Company based on the confirmations directly received by us from lenders.
	(d)	The company has not revalued its property, plant and Equipments (including Right of Use of assets) and intangible assets during the year.
	(e)	There are no proceedings that have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
ii.	(a)	The inventories have been physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the company and nature of its operations. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventories when compared with books of accounts.
	(b)	According to the information and explanations given to us, the Company has been sanctioned

		working capital limits in excess of INR 500 Lakhs in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.								
iii.	(a)	According to the information and explanations given to us and on the basis of our examination of the books of account, during the year, the company has not granted loans or advances in the nature of loans or any guarantee or security to companies, firms, limited liability partnership or other parties except capital advances of Rs. 950 Lakhs to an Individual for the purpose of carrying joint venture business of acquisition of land and construction and development of residential and commercial premises. The balance outstanding as at Balance sheet date Rs. 950 Lakhs.								
	(b)	According to information and explanations given to us and based on the audit procedures performed, capital advances granted without security for carrying joint venture business are not prejudicial to the company's interest.								
	(c)	According to information and explanations given to us and based on the audit procedures performed, in respect of capital advance, the schedule of repayment of principal and payment of interest has been stipulated and repayments are not due as at balance sheet date.								
	(d)	According to information and explanations given to us and based on the audit procedures performed, none of the amount is overdue for more than ninety days;								
	(e)	According to information and explanations given to us and based on the audit procedures performed, following amount have fallen due during the year has been extended.  (Amount in Lakhs)								
		<table border="1"> <thead> <tr> <th>Name of the parties</th> <th>Aggregate amount of over dues of existing loans renewed or extended or settled by fresh loans</th> <th>% of the aggregate to the total loans or advances in the nature of loans granted during the year</th> </tr> </thead> <tbody> <tr> <td>Kevin Maheshkumar Shah</td> <td>950 Lakhs</td> <td>100%</td> </tr> </tbody> </table>			Name of the parties	Aggregate amount of over dues of existing loans renewed or extended or settled by fresh loans	% of the aggregate to the total loans or advances in the nature of loans granted during the year	Kevin Maheshkumar Shah	950 Lakhs	100%
Name of the parties	Aggregate amount of over dues of existing loans renewed or extended or settled by fresh loans	% of the aggregate to the total loans or advances in the nature of loans granted during the year								
Kevin Maheshkumar Shah	950 Lakhs	100%								
	(f)	The Company has granted Loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:  (Amount in Lakhs)								

	Particulars	All parties	Promoters	Related Parties													
	Aggregate amount of loans/advances in nature of loans - Repayable on demand	316.28	Nil	5.00													
	-Without specify terms or period of repayment	Nil	Nil	Nil													
	Percentage of loans/ advances in nature of loans to the total loans	100%	Nil	1.58%													
iv	<b>Based on the audit process applied by us and according to the information and explanation given to us, in our opinion the Company has complied with the provisions of section 185 and section 186 of the Act, in respect of the loans and investments made, and guarantees and security provided by it.</b>																
v	<b>The Company has not accepted any deposit or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of the Order is not applicable.</b>																
vi	The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. Cost audit for the financial year has not completed up to the date of audit report hence we unable to comment upon the accuracy or completeness of the same.																
vii.	(a)	The Company is generally regular in depositing with appropriate authorities undisputed statutory dues such as Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, duty of Customs, duty of Excise, value added tax, cess and other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.															
	(b)	The details of disputed prescribed statutory dues that have not been paid by the Company are as under. <span style="float: right;">(Amount in Lakhs)</span>															
		<table border="1"> <thead> <tr> <th>Name of the Statute</th> <th>Nature of Dues</th> <th>From where dispute is pending</th> <th>Financial Year</th> <th>Amount</th> <th>Amount paid under protest</th> </tr> </thead> <tbody> <tr> <td>Gujarat VAT</td> <td>VAT</td> <td>Dy. State VAT Commissioner</td> <td>2014-15</td> <td>609.21</td> <td>10.00</td> </tr> </tbody> </table>				Name of the Statute	Nature of Dues	From where dispute is pending	Financial Year	Amount	Amount paid under protest	Gujarat VAT	VAT	Dy. State VAT Commissioner	2014-15	609.21	10.00
Name of the Statute	Nature of Dues	From where dispute is pending	Financial Year	Amount	Amount paid under protest												
Gujarat VAT	VAT	Dy. State VAT Commissioner	2014-15	609.21	10.00												

		GST	GST	DGGI	2019-20	383.07	208.00
					2020-21		
		Service Tax	Service Tax	CESTAT Ahmedabad	2016-17	17.37	175.00
viii.		There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.					
ix.	(a)	According to the information and explanations given to us and on the basis of our examination of the books of account, we are of the opinion that, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.					
	(b)	According to the information and explanations given to us, we are of the opinion that, the company is not a declared wilful defaulter by any bank or financial institution or government or government authority.					
	(c)	To the best of our knowledge and belief, in our opinion Terms Loans availed by the company during the year, were applied for the purpose for which the loans were obtained.					
	(d)	On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.					
	(e)	On an overall examination of the financial statements of the Company, we are of the opinion that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.					
	(f)	According to the information and explanations given to us and on the basis of our examination of the books of account, we are of the opinion that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.					
x.	(a)	During the year, the Company has raised Rs.38,13,75,000/- by way of Initial Public Offer of 28,25,000 Equity Shares at Rs. 135/- Per Equity Share, during the Offer Period from 20 <sup>th</sup> May 2022 to 2 <sup>nd</sup> June 2022. The Equity Shares of the Company are listed on the NSE SME Platform (NSE EMERGE). The requirements as specified under Section 23 and other applicable provisions of the Companies Act, 2013 have been complied with.					
	(b)	During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the order is not applicable to the Company					
xi.	(a)	Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.					

	(b)	To the best of our knowledge, no report under subsection (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
	(c)	As represented to us by the management, there were no Whistle Blower Complaints received by the company during the year.
xii.		In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and accordingly clause 3(xii) of the Order is not applicable.
xiii.		According to the information and explanations given to us and Based on the audit procedures performed, we are of the opinion that all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
xiv.		In our opinion, the Company has an adequate Internal Audit System commensurate with the size and nature of its business.
xv.		In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
xvi.	(a)	According to the information and explanations given to us and based on our examination of the records of the company, in our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) & 3(xvi)(b) of the Order is not applicable.
	(d)	The Group does not have any CIC as part of the group and accordingly reporting under paragraph 3(xvi)(d) of the Order is not applicable. Accordingly, clause 3(xvi)(c) & 3(xvi)(d) of the Order is not applicable.
xvii.		The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
xviii.		There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company;
xix.		According to the information and explanations given to us and on the basis 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 and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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xx.	The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under paragraph 3(xx) of the Order is not applicable for the year.
xxi.	<b>According to the information and explanations given to us and based on our examination of the records of the company, in our opinion, financial statements are presented on standalone basis. Accordingly, para 3(xxi) of the order is not applicable to the company.</b>
Place : AHMEDABAD Date : 30/05/2023	For, Ankit Chokshi & Co., (F.R. No: 121722W) (Chartered Accountants)  CA Anish Jhaveri (M. No: 111556) Partner UDIN: 23111556BGZZML1535

## **ANNEXURE B TO THE INDEPENDENT AUDITORS REPORT**

1. **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**
2. We have audited the internal financial controls over financial reporting of **Rachana Infrastructure Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.
3. **Management’s Responsibility for Internal Financial Controls**
4. 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. 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 the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.
5. **Auditor’s Responsibility**
6. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.
7. 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.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.
9. **Meaning of Internal Financial Controls Over Financial Reporting**
10. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of

records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### 13. Opinion

14. In our opinion, to the best of our information and according to the explanations given to us, the company has in all material respects adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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.

Place : AHMEDABAD Date : 30/05/2023	For, Ankit Chokshi & Co., (F.R. No: 121722W) (Chartered Accountants)  CA Anish Jhaveri (M. No: 111556) Partner UDIN: 23111556BGZZML1535
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## Balance sheet as at 31.03.2023

(Amount in Lakhs)

Particulars		Notes	As at 31st March 2023	As at 31st March 2022
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	<u>1</u>	1860.50	1578.00
	(b) Reserves and Surplus	<u>2</u>	7163.42	3412.34
	(c) Money received against share warrants	-	-	-
<b>(2)</b>	<b>Share application money pending allotment</b>		-	-
<b>(3)</b>	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	<u>3</u>	1093.21	2165.99
	(b) Deferred tax liabilities (Net)	-	-	-
	(c) Other Long term liabilities	-	-	-
	(d) Long term provisions	<u>4</u>	62.02	56.34
<b>(4)</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowings	<u>5</u>	619.39	1247.95
	(b) Trade payables			
	(A) total outstanding dues of MSME;	<u>6</u>	-	-
	(B) total outstanding dues of creditors other than MSME;		465.25	1464.68
	(c) Other current liabilities	<u>7</u>	117.15	380.53
	(d) Short-term provisions	<u>8</u>	89.76	80.13
	<b>Total</b>		<b>11470.71</b>	<b>10385.96</b>
<b>II.</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current assets</b>			
	(a) Property Plant & Equipments and Intangible Assets			
	(i) Property Plant & Equipments	<u>9</u>	973.33	1073.61
	(ii) Intangible assets		.64	1.18
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(d) Non-current investments	<u>10</u>	1766.72	1790.22
	(c) Deferred tax assets (net)		170.23	172.96
	(d) Long term loans and advances	<u>11</u>	950.00	-
	(e) Other Non-current assets	<u>12</u>	1595.69	1774.70
<b>(2)</b>	<b>Current assets</b>			
	(a) Current investments	-	-	-
	(b) Inventories	<u>13</u>	393.30	443.44
	(c) Trade receivables	<u>14</u>	1387.10	1750.89

# Annual Report 2022-23

(d) Cash and cash equivalents	<u>15</u>	129.89	97.27
(e) Short-term loans and advances	<u>16</u>	316.28	66.60
(f) Other current assets	<u>17</u>	3787.51	3215.08
<b>Total</b>		<b>11470.71</b>	<b>10385.96</b>

See accompanying notes to the Financial Statements  
As per our report of even date,

**Ankit Chokshi & Co.**

F.R.No. 121722W

(Chartered Accountants)

\_\_\_\_\_  
(Ankit A. Chokshi)

(M. No. : 110303)

Partner

Date: 30/05/2023

Place: Ahmedabad

UDIN: 23111556BGZZML1535

For and on behalf of the board ,

**Rachana Infrastructure Limited**

\_\_\_\_\_  
Bhaminiben Mehta

Director

DIN: 01646822

\_\_\_\_\_  
Girishbhai Raval

Managing Director

DIN: 01646747

\_\_\_\_\_  
Ishita Raval, (CFO)

\_\_\_\_\_  
CS Smit Shah

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2023 (Amount in Lakhs)

Particulars	Notes	Year Ended	
		31-03-2023	31-03-2022
I. Revenue from Operations	<u>18</u>	6351.67	6319.82
II. Other Income	<u>19</u>	171.22	286.34
<b>III. Total Revenue</b>	(I +II)	<b>6522.90</b>	<b>6606.16</b>
Direct Expenditure	<u>20</u>	2746.11	4442.26
Purchase of Stock-in-Trade		1743.81	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	<u>21</u>	50.14	-122.47
Employee Benefit Expense	<u>22</u>	537.81	573.08
Financial Costs	<u>23</u>	283.29	394.40
Depreciation and Amortization Expense	<u>2</u>	186.46	204.91
Other Expenses	<u>24</u>	671.34	821.09
<b>IV. Total Expenses</b>		<b>6218.95</b>	<b>6313.28</b>
<b>V. Profit Before Exceptional and Extraordinary Items and Tax</b>	(III-IV)	303.94	292.88
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit Before Extraordinary Items and Tax</b>	(V-VI)	303.94	292.88
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit Before Tax (VII - VIII)</b>		<b>303.94</b>	<b>292.88</b>
<b>X. Tax Expense:</b>			
(1) Current Tax		75.00	62.50
(2) Deferred Tax		2.73	9.61
<b>XI. Profit(Loss) From the Period From Continuing Operations</b>		<b>226.21</b>	<b>220.77</b>
<b>XII. Profit/(Loss) From Discontinuing Operations</b>		-	-
<b>XIII. Tax Expense of Discounting Operations</b>		-	-
<b>XIV. Profit/(Loss) From Discontinuing Operations</b>		-	-
<b>XV. Profit/(Loss) For The Period (XI+XIV)</b>		<b>226.21</b>	<b>220.77</b>

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<b>XVI. Earning Per Equity Share:(In Rs.)</b>			
(1) Basic		1.22	1.19
(2) Diluted		1.25	1.19

See accompanying notes to the Financial Statements  
As per our report of even date,

**Ankit Chokshi & Co.**

F.R.No. 121722W

(Chartered Accountants)

\_\_\_\_\_  
(Ankit A. Chokshi)

(M. No. : 110303)

Partner

Date: 30/05/2023

Place: Ahmedabad

UDIN: 23111556BGZZML1535

For and on behalf of the board ,

**Rachana Infrastructure Limited**

\_\_\_\_\_  
Bhaminiben Mehta

Director

DIN: 01646822

\_\_\_\_\_  
Girishbhai Raval

Managing Director

DIN: 01646747

\_\_\_\_\_  
Ishita Raval,(CFO)

\_\_\_\_\_  
CS Smit Shah



Cash Flow Statement		(Amount in Lakhs)	
Particulars	2022-23	2021-22	
<b><u>Cash flows from Operating Activities</u></b>			
Net Profit/(loss) before Taxation and extraordinary items	303.94	292.88	
Add:- Depreciation on Property Plant & Equipments	172.14	204.91	
Add: Depreciation on Investment Property	20.70	-	
Less: Remeasurement of Gratuity liability	-1.38	11.27	
Add: (Profit) / Loss on sale of Fixed Assets	-9.04	6.17	
Add: Bad Debts	32.95	-	
Less: Kasar Vatav/Round off	-.03	-74.71	
Add: Finance Cost	283.29	394.40	
Less: Interest / Discount/ Misc. Income	-29.42	-	
<b>Operating Profit before working capital changes</b>	<b>773.16</b>	<b>834.92</b>	
<b>Adjustments for:</b>			
(Increase/Decrease) (+/-) in Trade Payables	-999.43	1113.17	
(Increase/Decrease)(+/-) in Other Current Liabilities	-263.38	187.38	
(Increase/Decrease) (+/-) in Short Term Provisions	-2.87	66.99	
(Increase/Decrease) (+/-) in Long Term Provisions	-5.69	4.81	
Decrease/Increase (-/+) in Inventories	50.14	-122.47	
Decrease/Increase (-/+) in Trade Receivables	363.79	539.34	
Decrease/Increase (-/+) in Short Term Loans & Adv.	-249.69	22.14	
Decrease/Increase (-/+) in Other Current Assets	-572.43	-1638.29	
Decrease/Increase (-/+) in Other Non Current Assets	179.01	-272.97	
Income Tax Paid	-62.50	-100.00	
<b>Net Utilization of funds in Operating Activities</b>	<b>-789.89</b>	<b>-199.89</b>	
<b><u>Cash Flows from Investing Activities</u></b>			
(Increase/Decrease) (-/+) in Long Term Loans & Advances	-950.00	-	
Increase/Decrease) (-/+) in investment property	2.80	-	
Increase/Decrease (-/+) in PPE	-59.41	-216.16	
<b>Net Utilization of funds in Investing Activities</b>	<b>-1006.61</b>	<b>-216.16</b>	
<b><u>Cash Flow from Financing Activity</u></b>			
Finance Cost	-283.29	-394.40	
Increase/Decrease (+/-) in short term borrowings	-628.56	-67.56	
Increase/Decrease (+/-) in long term borrowings	-1072.78	78.49	
Increase in Share Capital	282.50	-	
Increase in Securities Premium	3531.25	-	
<b>Net Cash Flow from Financing Activities</b>	<b>1829.12</b>	<b>-383.47</b>	

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Cash Surplus (+) / Shortfall (-) arose during the year	32.62	35.40
Cash and Cash Equivalents at the beginning of the year	97.27	61.87
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>129.89</b>	<b>97.27</b>

See accompanying notes to the Financial Statements  
As per our report of even date,  
**Ankit Chokshi & Co.**  
F.R.No. 121722W  
(Chartered Accountants)

\_\_\_\_\_  
(Ankit A. Chokshi)  
(M. No. : 110303)  
Partner  
Date: 30/05/2023  
Place: Ahmedabad  
UDIN: 23111556BGZZML1535

For and on behalf of the board ,  
**Rachana Infrastructure Limited**

\_\_\_\_\_  
Bhaminiben Mehta  
Director  
DIN: 01646822

\_\_\_\_\_  
Girishbhai Raval  
Managing Director  
DIN: 01646747

\_\_\_\_\_  
Ishita Raval,(CFO)

\_\_\_\_\_  
CS Smit Shah

## Notes to Balance Sheet

(In Rs. Lakhs)

## Note - 1 : Share Capital

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>Authorised Share Capital :</b>				
2,25,00,000 Equity shares of Rs.10/- each (P.Y. 2,25,00,000 Equity Shares)		2250.00		550.00
Add: Increase in Authorised Share Capital during the year		-		1700.00
<b>Total Authorised Share Capital</b>		<b>2250.00</b>		<b>2250.00</b>
<b>Issued ,Subscribed &amp; Fully Paid Up Capital :</b>				
1,57,80,000 Equity shares of Rs.10/- each (P.Y. 52,60,000 Equity Shares)		1578.00		526.00
Add: Increase in Issued, Subscribed & Paid Up Capital during the year:		-		-
1,05,20,000 Equity Shares issued as Bonus Shares				1052.00
28,25,000 Equity Shares of Rs. 10/- each (P.Y. 1,05,20,000 Equity Shares)		282.50		.00
<b>Total Issued, Subscribed &amp; Paid Up Capital</b>		<b>1860.50</b>		<b>1578.00</b>
<b>Reconciliation of Equity Share Capital</b>				
Equity Shares outstanding at the beginning of the year		1,57,80,000		52,60,000
Add : Shares issued during the year		28,25,000		
Add: Bonus issue of equity shares		-		1,05,20,000
Less: Shares bought back during the year		-		-
<b>Equity Shares outstanding at the end of the year</b>		<b>1,86,05,000</b>		<b>1,57,80,000</b>
<b>List of Persons Holding More Than 5% of Paid-up Share Capital</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Girishbhai Raval	58,07,981	31.22%	65,54,031	41.53
Bhaminiben Mehta	15,31,800	8.23%	15,31,800	9.71
Brijesh Raval	14,94,400	8.03%	16,31,400	10.34
Jaydeep Raval	14,91,360	8.02%	14,91,360	9.45
<b>Shareholding of Promoters &amp; Promoter Group</b>				
<b>Shares held by promoters at the end of the year</b>				
Sr No. Promoter Name	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>

# Annual Report 2022-23

1. Raval Girish Ochhavlal	58,07,981	31.22%	65,54,031	41.53
2. Ishita Prakashkumar Raval	3,73,590	2.01%	3,73,590	2.37
3. Bhaminiben Baldevprasad Mehta	15,31,800	8.23%	15,31,800	9.71
4. Ashokkumar Ochchhavlal Raval	6,85,998	3.69%	6,85,998	4.35
5. Brijesh Girishbhai Raval	14,94,400	8.03%	16,31,400	10.34
6. Devanshi Jayesh Dave	3,59,400	1.93%	3,59,400	2.28
7. Jaydeep Girishbhai Raval	14,91,360	8.02%	14,91,360	9.45
8. Bhamini Infrastructures Pvt Ltd	5,40,000	2.90%	5,40,000	3.42
<b>Total Shareholding by Promoer &amp; Promoter Group</b>	<b>1,22,84,529</b>	<b>66.03%</b>	<b>1,31,67,579</b>	<b>83.45</b>

## **Rights, Preferences and restrictions attached to equity shares**

The company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and is entitled to dividend declared, if any. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the company after distribution of all preferential amounts in proportion of equity shares held by the shareholders.

## Notes to Balance Sheet

## Note - 2 : Reserves and Surplus

(In Rs. Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(a) Securities Premium</b>		
Opening Balance	-	348.57
(-) Securities Premium Utilized for Bonus Issue	-	348.57
(+) Securities Premium received during the year	3531.25	-
<b>Closing Balance</b>	<b>3531.25</b>	<b>-</b>
<b>(b) Revaluation Reserve</b>		
Opening Balance	1080.13	1223.85
(-) Written Back in Current Year	-	.32
(-) Accumulated Depreciation on Investment Property	-	136.75
(-) Depreciation Provided	6.38	6.66
<b>Closing Balance</b>	<b>1073.75</b>	<b>1080.13</b>
<b>(c) General Reserves</b>		
Opening Balance	-	434.34
(+) Transferred from Surplus	-	269.09
(-) General Reserves Utilized for Bonus Issue	-	703.43
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>(d) Surplus</b>		
Opening Balance	2332.21	2621.84
(+) Profit for the Year	226.21	220.77
(-) Dividend on Equity Shares	-	-
(-) Accumulated Depreciation on Investment Property	-	241.31
(-) Transferred to General Reserve	-	269.09
<b>Closing Balance</b>	<b>2558.42</b>	<b>2332.21</b>
<b>Total Reserves &amp; Surplus</b>	<b>7163.42</b>	<b>3412.34</b>

## Note - 3 : Long Term Borrowings

Particulars	As at 31.03.2023	As at 31.03.2022
<u>Long term Borrowings</u>		
Secured Term Loans from Bank	2.49	49.43
Secured-Term loan from Financial Institutions	191.51	416.52
Unsecured Loans from Related Parties	320.13	638.19
<u>Other Non Current Financial Liabilities</u>		
Deposits from Vendors/Retention Money	379.08	661.85
Mobilization Advances	200.00	400.00
<b>Total</b>	<b>1093.21</b>	<b>2165.99</b>

## Notes to Balance Sheet

(In Rs. Lakhs)

**Note - 4: Long Term Provisions**

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits (Gratuity)	62.02	56.34
<b>Total</b>	<b>62.02</b>	<b>56.34</b>

**Note - 5 : Short Term Borrowings**

Particulars	As at 31.03.2023	As at 31.03.2022
Secured Short Term Borrowings from Banks		
Cash Credit Facility with Bank of Baroda (Security : See Note below)	-28.19	192.38
Cash Credit Facility with Axis Bank (Security : See Note below)	-1.69	245.90
Unsecured Loans	-	-
Other Current Financial Liabilities		
Security Deposits	3.11	519.68
Other Payables	-	7.53
Current Maturities of Non Current Borrowings	180.13	282.45
Inter Corporate Deposit	466.04	
<b>Total</b>	<b>619.39</b>	<b>1247.95</b>

(i) C.C. limit from Bank of Baroda is secured by way of equitable mortgage of Factory Land situated at Survey No. 60, 61/P2, 64, 65, 66, 67, 76 & 77 of Mouje Borvai & Survey No. 359/3/P1 and 359/3/P2 and construction thereon situated at Mouje Rajpur Taluka Dhasura, District Sabarkantha being situated at Rajpur Road, Manganpura Kampa, Near M K Stone Vadgam Guajrat (Lease Hold) in the name of the company.

(ii) C.C. limit from Bank of Baroda is secured by way of equitable mortgage of Land & Building situated at Block No. 394 paiki Final Plot No. 74 of T P Scheme No. 17 Nr. APMC Market, Mauje Chiloda, Tal. & Dist. Gandhinagar owned by company and named as "OM Education Trust"

(iii) C.C. limit from Bank of Baroda is secured by way of equitable mortgage of N.A. Land bearing block no. 396 being allotted Final Plot No. 76 paiki admeasuring about 6508 sq. mtrs. (allotted in lieu of Old Survey No. 449/1) and building construction thereon & N.A. Land bearing block no. 393 being allotted final plot no. 73 of DTP No. 17 (Chiloda) admeasuring 2168 Sq. Mtr. and construction thereon situated near APMC Market, Mouje Chiloda, Tal & Dist. Gandhinagar, owned by the company and named as "OM Education Trust."

(iv) C.C. Limit from Bank of Baroda is secured by way of personal guarantee of Girishbhai Raval, Bhaminiben Raval and Ashokkumar Raval. C.C. limit from Axis Bank is secured by way of personal guarantee of Girish Raval, Bhaminiben G. Raval, Ashokkumar Raval, Rameshbhai K Patel, and Vishubhai S Patel.

(v) C.C. Limit from Bank of Baroda and Axis Bank are charged by way of Hypothecation of entire stock of raw material, stock in process, stores and spares, packing material, finished goods, book debt, Plant & Machineries, Equipments, Electrical installations (Except vehicle financed by other Banks/NBFCs)

**C.C. limit from Axis Bank is secured by way of mortgage of Land & building situated at R.S. No. 716, Shreeji Kunj, Village Road, Village-Ishanpur Mota, Tal Dist. Gandhinagar**

**Note - 6 : Trade Payables**

(In Rs. Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Trade Payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	465.25	1464.68
<b>Total</b>	<b>465.25</b>	<b>1464.68</b>

**Trade Payable Ageing Schedule**

(i) MSME		-
(ii) Others		
Not Due	-	-
<1 Year	697.73	1356.37
1-2 Years	47.73	56.37
2-3 Years	10.96	11.94
>3 Years	27.64	40.00
Total	<b>784.05</b>	<b>1464.68</b>
(iii) Others (Disputed)		
Total	-	-
(iii) Unbilled Dues		
Total	-	-

**Note - 7 : Other Current Liabilities**

Particulars	As at 31.03.2023	As at 31.03.2022
TDS Payable	71.63	77.53
Professional Tax	.20	.93
GST & Service Tax	.03	1.29
Other Payables	45.29	300.78
<b>Total</b>	<b>117.15</b>	<b>380.53</b>

**Note - 8 : Short Term Provisions**

Particulars	As at 31.03.2023	As at 31.03.2022
<u>Provision for Employee Benefits</u>		
Gratuity Provision	4.20	11.27
<u>Other Provisions</u>		
Provision For Audit Fees	2.61	1.98
Provision for Electricity Expenses	7.95	4.38
Provision for Income Tax	75.00	62.50
Provision for Interest on late payment to MSME trade payables	-	.00
<b>Total</b>	<b>89.76</b>	<b>80.13</b>



**Property, Plant and Equipments****Note - 9 : Tangible Assets****(In Rs. Lakhs)**

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		01-04-2022	Additions	Deductions /Adjustments	31-03-2023	01-04-2022	Dep.	Adj.	31-03-2023	As at 31.03.23	As at 31.03.22
1	Land	367.16	-	-	367.16	-	-	-	-	367.16	367.16
2	Buildings	74.17	-	-	74.17	37.30	3.54	-	40.84	33.33	36.87
3	Plant and Equipments	2819.53	49.75	67.93	2801.36	2222.27	146.08	61.37	2306.98	494.37	597.26
4	Motor Car	159.41	.67	8.21	151.87	100.78	17.16	7.80	110.15	41.73	58.63
5	Computer and Data Processing Units	21.93	.26	-	22.19	20.69	.20	-	20.89	1.30	1.24
6	Furniture and Fixtures	17.39	21.12	-	38.51	11.73	2.08	-	13.80	24.70	5.66
7	Office Equipments	46.70	6.50	-	53.20	39.93	2.54	-	42.47	10.74	6.78
<b>Total</b>		<b>3506.30</b>	<b>78.30</b>	<b>76.14</b>	<b>3508.47</b>	<b>2432.69</b>	<b>171.60</b>	<b>69.17</b>	<b>2535.13</b>	<b>973.33</b>	<b>1073.61</b>
Previous Year		4034.93	66.69	686.68	3414.95	2583.24	227.12	442.80	2367.56		1451.69

**Note - 9 : Intangible Assets**

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		01-04-2022	Additions	Deductions /Adjustments	31-03-2023	01-04-2022	Dep.	Adj.	31-03-2023	As at 31.03.23	As at 31.03.22
1	NWAY Software	8.50	-	-	8.50	7.50	.45	-	7.95	.55	1.00
2	Road Estimator Software	.67	-	-	.67	.49	.09	-	.58	.09	.18
<b>Total</b>		<b>9.17</b>	<b>-</b>	<b>-</b>	<b>9.17</b>	<b>7.99</b>	<b>.54</b>	<b>-</b>	<b>8.53</b>	<b>.64</b>	<b>1.18</b>
Previous Year		9.18			9.18	7.01	.99		7.99	1.18	2.17

**Note - 10 : Non Current Investments**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Investment In Government or Trust Securities</b>		
Sardar Sarovar Narmada Nigam Ltd	31.62	34.47
<b>Investment In Property</b>		
Land	983.80	983.80
Buildings	1171.59	1171.59
Add: Addition during the year Less:	.05	.00
Accumulated Depreciation Less:	399.63	378.06
Depreciation for current year	20.70	21.58
Total Buildings	751.30	771.95
<b>Total</b>	<b>1766.72</b>	<b>1790.22</b>

\*Land and Building are given on lease to Om Education Trust, Rental Income from the same has been classified as Non operating Income.

**Deferred Tax Assets/Liability:**

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred tax Asset at the beginning	172.96	182.57
Tax effect of items constituting deferred tax liability	-2.73	-9.61
<b>Net Deferred Tax Assets</b>	<b>170.23</b>	<b>172.96</b>

**Note - 11 : Long Term Loans and Advances**

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Capital Advances		
(i) Unsecured considered Good	950.00	-
<b>Total</b>	<b>950.00</b>	<b>-</b>

The board hererby declares that relevant provisions of Foreing Exchange Management Act (FEMA) 1999 (42 of 1999) and Companies Act 2013 has been complied with for such transactions and the transactions are not violative of the Prevention of Money Laundering Act (PMLA) 2002 (15 of 2003)

**Note - 12 : Other Non Current Asset**

Particulars	As at 31.03.2023	As at 31.03.2022
Margin Money	1.93	81.61
Fixed Deposits against Bank Guarantee	136.46	190.73
Fixed Deposits with Bank (Placed as Security Deposit)	8.62	25.98
<u>Unsecured, considered good:</u>		
Security Deposits/Performance Money/Retention Money	1448.67	1476.39
<b>Total</b>	<b>1595.69</b>	<b>1774.70</b>

\*Security Deposits/Performance Money/Retention Money includes Retention Money of Rs. 322.64 and Performance deposit of Rs. 322.64 held with M/s Fernas Construction. The recovery of the same is under dispute. The company has filed suit under MSMED Act 2006 dated 30th June 2018. At present, the case is pending before Arbitral Tribunal. Management is hopeful of favorable judgement for recovery of the pending amount.

\*Security Deposits/Performance Money/Retention Money includes Security Deposit of Rs. 11.74 (P.Y. 11.74) held with IVRCL Limited. The said company is under insolvency proceedings. The liquidator has admitted claim of Rs. 8.54

**Note - 13 : Inventories (In Rs. Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Stock In Trade</b>		
Stock at Quarry*	393.30	443.44
<b>Total</b>	<b>393.30</b>	<b>443.44</b>

\* Stock In Trade includes stock of Black Trap of 6 MM, 10MM, 20MM, 40MM and Dust

**Note - 14 : Trade Receivable**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Trade Receivable</b>		
-Considered Good - Unsecured	845.65	1221.98
Trade Receivables which have significant increase in Credit Risk	541.45	528.91
Trade Receivables - Credit Impaired	.00	.00
<b>Total</b>	<b>1387.10</b>	<b>1750.89</b>
<b>(i) Undisputed Trade Receivables - considered good</b>		
(a) Less than 6 months	778.23	294.83
(b) 6 months - 1 year(c )	56.62	118.23
1-2 Years	6.34	254.23
(d) 2-3 Years	.43	459.21
(e) more than 3 years	4.02	95.47
Total	845.65	1221.98
<b>(ii) Undisputed Trade Receivables - considered doubtful</b>		0
Total		-
<b>Particulars</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
<b>(iii) Disputed Trade Receivables - considered good</b>		
Total		-
<b>(iv) Disputed Trade Receivables - considered doubtful</b>		
(a) Less than 6 months		
(b) 6 months - 1 year(c )		
1-2 Years		
(d) 2-3 Years		
(e ) more than 3 years	541.45	528.91
Total	541.45	528.91
<b>(v) Allowance for bad and doubtful debts</b>		
(b) Undisputed Trade Receivables - considered doubtful		
(d) Disputed Trade Receivables - considered doubtful		
	-	-
<b>(vi) Debts due by directors/officers or debts due by firms or private companies in which any director is a partner or a director or a member.</b>		
<b>Total Trade Receivables</b>	<b>1387.10</b>	<b>1750.89</b>

Trade Receivable includes receivables of Rs. 5,28,91,400/- from M/s Fernas Construction. The company has filed recovery suit under MSMED Act 2006. At present, the matter is pending before Arbitrator Tribunal. Management is hopeful of the getting favorable judgement. However, on a conservative approach, the same is disclosed as Disputed Trade

Receivable considered doubtful.

Trade Receivable includes receivables of Rs. 12,53,999.44/- from M/s IVRCL Limited. The said company is under insolvency proceedings and the company's claim has not been admitted by the liquidator. Therefore to that extent Trade Receivables are considered as having significant increase in credit risk.

**Note - 15 : Cash and Cash Equivalents**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Balance with Banks</b>		
In Current Accounts	-	-
<b>Cash on Hand</b>		
Cash on Hand	18.17	35.14
Fixed Deposits with Banks with less than 12 Monthsmaturity	111.72	62.13
<b>Total</b>	<b>129.89</b>	<b>97.27</b>

**Note - 16 Loans**

Particulars	As at 31.03.2023	As at 31.03.2022
Inter Corporate Deposit Given	294.28	34.74
<u>Unsuecred Considered Good:</u>		
Loans and Advances to Other parties	17.00	26.86
Loans and Advances to related parties	5.00	5.00
<b>Total</b>	<b>316.28</b>	<b>66.60</b>

**Note - 17 : Other Current Assets**

Particulars	As at 31.03.2023	As at 31.03.2022
Balance With Government Authorities	406.90	532.19
Security Deposits/With Held Money/Retention Money	989.50	385.29
Prepaid Expenses	9.26	5.18
Contract WIP	2222.94	1701.27
Other Receivables	158.91	591.15
<b>Total</b>	<b>3787.51</b>	<b>3215.08</b>

**Note - Balance with Government Authorities include Rs. 208 (P.Y. 208.00) paid to GST Department onaccount of search initiated by Director General of GST Inteligence (DGGI) Nagpur**

**Notes to Profit and Loss Account for the period ended on 31.03.2023****Note - 18 : Revenue From Operations**

(In Rs. Lakhs)

Particulars	2022-23	2021-22
<b>Value of Sales</b>		
Sales of Products	3135.13	1528.10
<b>Income from Services</b>		
Contract Receipts	3216.55	4791.72
Sale of Services	-	
<b>Total</b>	<b>6351.67</b>	<b>6319.82</b>

**Note - 19 : Other Income**

Particulars	2022-23	2021-22
<b>Interest Income</b>		
Bank Deposits	24.19	23.44
Other Interest Income	3.53	-
<b>Total</b>	<b>27.73</b>	<b>23.44</b>
<b>Other Non Operating Income</b>		
Rent Income	108.84	108.84
Gain on Compulsory Acquisition of Land	-	9.36
Hiring Income	18.23	12.44
Profit on sale of Fixed Assets	10.32	.00
Miscellaneous Income	1.74	3.86
Discount Income	4.38	32.26
Sundry Balances Written off	-	96.13
<b>Total</b>	<b>143.50</b>	<b>262.90</b>
<b>Total Other Income</b>	<b>171.22</b>	<b>286.34</b>

**Note - 20 : Direct Expenditure**

Particulars	2022-23	2021-22
Construction and Civil Work Expense	1639.42	2933.30
Power and Fuel	739.12	867.96
Hiring Charges	100.67	260.74
Labour Expense	35.93	54.77
Royalty Expenses	184.49	285.25
Drilling Expenses	.15	.45
Emulsion Expenses	6.95	21.64
Road Furniture and Accessories Expenses	4.29	8.39
Chemical Expenses	-	.20
Sub Contract Charges	35.09	9.58
<b>Total</b>	<b>2746.11</b>	<b>4442.26</b>

**Note - 21 : Change in Inventories**

Particulars	2022-23	2021-22
Opening Stock	443.44	320.97
Less: Closing Stock	393.30	443.44
<b>Total</b>	<b>50.14</b>	<b>-122.47</b>

**Note - 22 Employee Benefit Expenses:**

Particulars	2022-23	2021-22
<b>Salaries and Wages</b>		
Salary Expenses	500.36	524.70
<b>Contribution to Provident and Other Funds</b>		
Employer's Contribution to Provident Fund	4.46	4.33
Gratuity Expenses	-1.38	11.27
Administrative Charges (PF)	.78	.34
Labour Welfare Fund	-	-
Staff Welfare Expenses	3.73	1.31
Mess Expenses	29.55	31.14
Directors' Sitting Fees	.30	-
<b>Total</b>	<b>537.81</b>	<b>573.08</b>

**Note - 23 : Finance Cost**

Particulars	2022-23	2021-22
Bank Interest and Other Charges	19.86	66.28
Other Interest	167.61	210.64
Finance Charges	68.24	74.35
Bank Charges	1.23	1.02
Bank Guarantee & Loan Processing Charges	26.36	42.11
<b>Total</b>	<b>283.29</b>	<b>394.40</b>

**Note - 24 : Other Expenses**

Particulars	2022-23	2021-22
Bad Debts	32.95	-
<u>Payment to Auditors</u>		
As Audit Fees	3.30	2.20
For other services	-	3.75
Rent Expenses	8.84	23.34
Lease Rental Expenses	20.64	32.54
Repairs to Plant and Machinery	166.07	126.58
Insurance Expenses	10.62	7.98
Rates and Taxes (Excluding Taxes on Income)	1.23	3.50
Legal and Professional Fees	21.13	28.07
Site Expenses	50.65	9.50
Plant Operate Charges	44.76	60.37
Transportation Expenses	77.33	292.51
Loading & Unloading Exp.	.35	.83
Loss on Sale of Fixed Assets	1.28	6.17
RTO Tax Expense	9.70	5.14
Security Expenses	4.64	10.84
Water Expenses	1.58	1.53
Consultancy Fees	36.04	10.74
Electrical Expenses	19.39	14.79
CSR Expenses	10.20	12.08
Other Expenses	150.64	168.62
<b>Total</b>	<b>671.34</b>	<b>821.09</b>

**Note No.: 25 Corporate Information:**

Rachana Infrastructure Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in business of Infrastructure Projects and Quarry Mining and Trading.

**(A) Statement of Significant accounting policies:**

**1. Basis for Preparation and Presentation:**

The Financial statement are prepared on accrual basis as a going concern under historical cost convention in accordance with the generally accepted accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and as per the requirements of The Companies Act, 2013

**2. Use of estimates:**

The estimates and judgments used in the preparation of financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors that the management believes to be reasonable under existing circumstances.

Difference between actual results and estimates are recognized in the period in which the results are known/materialized. The said estimates are based on the facts and the events, that existed as at the reporting date, or that date but provide additional evidence about conditions existing on the reporting date.

i. Depreciation/amortization and useful lives of property, plant and equipment/intangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

ii. Recoverability of trade receivables:

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counter party, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**3. Property, Plant and Equipment:**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on Property, Plant and Equipment is provided using Written Down Value (WDV) method on depreciable amount based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In respect of the Property, Plant and Equipment purchased during the year, depreciation is provided on pro rata basis from the date on which such asset is ready to be put to use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any such change in the estimate accounted for on a prospective basis. The estimated useful lives and residual values are as prescribed in Schedule II to the Companies Act, 2013 except for Building held as Investment Properties, which are based on technical evaluation of useful life by the management.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

The estimated useful lives of items of Property, Plant & Equipment as prescribed in Schedule II of Companies Act, 2013 as follows:

Asset Class	Useful Life (In Years)
Plant & Machinery	3-15
Motor Vehicles	5-10
Computer and Data Processing Units	3
Furniture and Fittings	10
Laboratory Equipments	5-10
Electrical Installations and Equipment	3-5
Office Equipments	3-10
Buildings	30
Investment Property (Building)	60

#### 4. Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated depreciation and accumulated impairment loss. Intangible Assets mainly consists of Computer Software having estimated useful life of 5 years. The depreciation expense on intangible assets with finite lives and impairment loss is recognized in the Statement of Profit and Loss.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying



amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized.

#### 5. Revenue Recognition:

- i. Revenue from operations of Stone Quarry are recognized as per AS 9 'Revenue Recognition' while revenue from operations of Road Construction are recognized as per AS 7 'Construction Contract' issued by Institute of Chartered Accountants of India.
- ii. Revenue from contracts is recognized on the basis of percentage completion method given as per AS 7.
- iii. Revenue from sale of goods is recognized when property in goods is transferred to the buyer and the same is measurable at the time of sale and there is no uncertainty regarding ultimate collection from the buyer.
- iv. Contract revenue and its associated costs are accrued and recognized by reference to the stage of completion of the contract at the reporting date.

Contract revenue comprises the initial amount of revenue agreed upon in the contract, the changes in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Contract cost comprises of cost that relate directly to the specific contract, cost that are attributable to contract activity in general and can be allocated to the contract and such other cost as are specifically chargeable to the customer under the terms of the contract.

Stage of completion is determined based on the survey of work performed at the end of each year. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods. Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed in accordance with the milestones completed as per the respective project, is accrued as unbilled revenue.

An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.

- v. Interest income from Investment is accounted when the same is accrued.
- vi. Other Income and government benefits, subsidies, refunds etc. are accounted when right to receive is established.

#### 6. Inventories:

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other direct costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on FIFO basis.

#### 7. Investment:

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in

exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

### **Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the investment property to its working condition for the intended use. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

During the current financial year, the company has provided depreciation of Rs. 20.70 on Investment Property (including depreciation on Revalued amount of Rs. 6.38 and charged to Revaluation Reserve.).

## **8. Borrowing Costs:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets till the date it is ready for its intended use are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

## **9. Employee Benefits:**

### **(i) Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, performance incentives, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

### **(ii) Post-Employment Benefits:**

#### **(a) Defined Contribution Plans:**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes

specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

**(b) Defined Benefit Plans:**

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Rachana Infrastructure Limited operates post-employment defined benefit plan i.e. gratuity plan (the plan). The plan is unfunded and entitles an employee, who has rendered at least five years of continuous service, to receive half month's salary for each period of completed service at the time of retirement/resignation. The long term service incentive is accrued for all eligible employee of the Company and is payable on completion of 5 year of service

The employees are entitled to accumulate leave for avilment as well as encashment subject to the rules. As per the regular past practice followed by the employees, the company does not create provisions for leave encashment. It will be recognized on actual payment basis.

During the period ended on 31.03.2023, the company has made provision of Rs. 420.16 for Payment of Gratuity under the provisions of Payment of Gratuity Act, 1972.

**10. Segment Reporting:**

The Group's operating segments are established on the basis of those components of the Group that are evaluated on the basis of AS-17 (Segment Reporting), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has principal operating and reporting Business segment; viz. (i) Infrastructure Projects and related activity of Quarry Mining and (ii) Trading.

	2022-23		2021-22	
	Infrastructure & Mining	Trading	Infrastructure & Mining	Trading
Segment Revenue	4601.35	1750.33	6319.82	0.00
Segment Profit	297.41	6.52	292.88	0.00
Segment Assets	11300.47	0.00	10213.00	0.00
Segment Liability	2446.79	0.00	5395.62	0.00

**11. Taxes on Income:**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss.

**i. Current Tax:**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

**ii. Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

The company has made provision of Rs. 77.73 (including deferred tax of Rs. 2.73) for taxation in the books of account in view of profit earned during the F.Y. 2022-23 as per the provisions of The Income Tax Act, 1961.

**12. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Contingent Assets are not recognized, but disclosed in the financial statements, if an inflow of economic benefits is probable.

Contingent liabilities are not provided for, but are disclosed as below:

**Contingent Liabilities and Commitments**

Particulars	2022-23	2021-22
-------------	---------	---------

(i) Guarantees Guarantees to Banks and Financial Institutions against credit facilities extended to third parties and other Guarantees	1076.85	1660.90
(ii) Gujarat VAT assessment order for FY14-15	609.21	609.21
(iii) Goods and Service Tax Act (FY19-20 & 20-21)	175.07	175.08
<b>Total</b>	<b>1861.14</b>	<b>2445.19</b>

- In respect of VAT assessment for the year 2014-15, an appeal has been filed and the management is confident of tax and interest liability on account of assessment by appellate authority to the tune of Rs. 25.00 only.
- In respect of GST for FY 2019-20 & 2020-21, a search was initiated by Director General of GST Intelligence (DGGI) in the premises of the company. As a result of search, the company made liable to reverse input tax credit of Rs. 38.31 for the F.Y. 2019-20 & 20-21. Out of the same, the company has paid Rs. 50.00 through duty reversal and Rs. 15.80 paid through cash ledger. Management has taken advice of GST consultant and according to their advice an application was filed to GST department stating that the said payment of Rs. 20.80 shall be treated as duty payment under protest. After taking professional consultation, the management is confident of getting back Rs. 20.80 paid to GST department which is considered as Balance with Government Authorities under the head Loans and Advances and remaining Rs. 175.08 is considered as contingent liability.

### 13. Earnings per Share (EPS):

Basic Earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjust the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

### 14. Cash and cash equivalents:

Cash and cash equivalents include cash at bank, cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

### 15. Cash flow Statement:

The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS 3) statement of cash flows. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

### 16. Related Party Disclosure (AS 18):

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the below mentioned table:

Sr. No.	Name of Related Party	Nature of Relationship	Nature of Transaction	As at 31.03.2023	As at 31.03.2022
1	Girish Raval	Key Managerial Personnel (KMP)	Remuneration Paid	45.00	45.00
			Loan Taken	356.85	276.99
			Loan Repaid	516.43	250.06
2	Ashok Raval	Director	Interest Paid	28.91	42.08
			Loan Repaid	100.00	195.50
3	Bhaminiben		Interest Paid	Nil	Nil

	Baldevprasad Mehta	Director	Interest Received	Nil	Nil
			Loan Taken	18.50	Nil
			Loan Repaid	103.00	Nil
4	Jaydeep Raval	Relative of KMP	Salary Paid	30.00	30.00
5	Brijesh Raval	Relative of KMP	Salary Paid	33.00	33.00
6	Ishita Raval	Chief Financial Officer	Salary Paid	12.00	12.00
7	Devanshi Dave	Relative of KMP	Salary Paid	12.00	12.00
8	Bhamini Infrastructure Private Limited	Enterprises over which KMP and/or Relatives of KMP are able to exercise Significant Influence	Hiring Charges Paid	Nil	4.18
			Purchase of Goods	42.11	
			Sale of Goods	42.76	73.29
			Interest Received	16.42	3.11
			Inter Corporate Deposits Given	458.84	57.20
			Inter Corporate Deposit Repaid	199.30	46.31
9	Om Education Trust	Enterprises over which KMP and/or Relatives of KMP are able to exercise Significant Influence	Interest Paid	58.30	67.78
			Rent Income	108.84	120.04
			Acceptance of Deposit	22.45	162.96
			Repayment of Deposit	320.85	173.97

**17. Lease:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**18. Accounting for Taxes on Income:**

"Accounting for Taxes on Income" as at the end of the year/period is reported in the below mentioned table:

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Tax Asset	172.96	182.57
Tax effect on difference between depreciation as per books and as per Income Tax	(2.73)	(9.61)
Net Deferred Tax Asset	170.23	172.96

**19. Disclosure pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts"**

Particulars		2022-23	2021-22
Total Revenue (Bill raised up to 31.03.23)	A	25636.45	22941.58
Total Project Revenue	B	30741.21	30741.21
Estimated Total Project Cost	C	30181.18	30181.18
Contract Cost incurred till 31.03.23	D	27347.04	24202.63
% Completion based on cost incurred till 31.03.23	D/C	90.61%	80.19%
Revenue based on % Completion	A/B	83.39%	74.63%
Actual WIP Sales		2222.94	1701.27
Amount due to Customers for contract work at the end of the financial year		Nil	Nil

**20. Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**(B) Notes on Accounts:-**

1. Disclosure in respect of borrowings from Banks and Financial institutions on the basis of security of current assets
  - (a) Quarterly returns of statement of current assets filed by the Company with the Axis Bank and Bank of Baroda are in agreement with the unaudited books of accounts.

**2. OTHER INFORMATION**

	As at 31.03.2023	As at 31.03.2022
Details of Crypto Currency or Virtual Currency	Nil	Nil
Undisclosed income	Nil	Nil
Where a company has 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.....	Nil	Nil
Utilisation of Borrowed funds and share premium		
Compliance with approved Scheme(s) of Arrangements	Nil	Nil
Compliance with number of layers of companies	Nil	Nil
Relationship with Struck off Companies	Nil	Nil
Wilful Defaulter	Nil	Nil
Details of Benami Property held	Nil	Nil
Title deeds of Immovable Property not held in name of the Company	Nil	Nil
Capital Work in Progress	Nil	Nil

**3. Registration or satisfaction of charges not registered with Registrar of Companies**

Charge holder name	Date of Creation	Date of satisfaction	Amount	Charge ID	Comment
Tata Capital Financial Services Ltd.	29-01-18	07-02-22	22.57	100154171	Charge satisfaction not registered with ROC. Loan repaid but in view of existence of another loan on same asset, NOC from financier not received.
Tata Capital Financial	06-02-18	07-02-22	18.56	100154172	Charge satisfaction not registered with ROC. Loan repaid but in view

Services Ltd.						of existence of another loan on same asset, NOC from financier not received.
Tata Capital Financial Services Ltd.	6-2-18	07-02-22	10.38	100154146		Charge satisfaction not registered with ROC. Loan repaid but in view of existence of another loan on same asset, NOC from financier not received.

#### 4. Analytical Ratios

Ratio	Numerator Amount	Denominator Amount	2022-23	2021-22	% change	Reason for Variation
Current Ratio	6014.09	1291.55	4.657	1.755	165%	Decrease in current liability due to utilization of IPO funding in operational activities.
Debt Equity Ratio	1712.60	6089.67	0.2812	0.6841	-59%	Repayment of loan out of proceeds from issue of equity shares at premium
DSCR	746.12	1128.16	0.6614	1.2014	-45%	Due to repayment of long term borrowing out of proceeds of issue of equity shares.
ROE	226.21	6089.67	3.71%	4.42%	-16%	Increase in capital employed
Inventory Turnover Ratio	2749.76	418.37	6.5726	11.20	41%	Due to improved gross margin
Debtors Turnover Ratio	5771.42	1569.00	3.68	2.8048	31%	Due to increase in turnover and decrease in average trade receivables.
Trade Payable Turnover	3389.59	1482.05	2.2871	1.1227	104%	Due to decrease in average trade payable
Net Capital Turnover Ratio	6351.67	3561.27	1.78	2.07	14%	
NP Ratio	226.21	6351.67	3.56%	3.49%	-2%	
ROCE	476.05	5696.52	8.36%	19.78%	-58%	Due to decrease in Profit and increase in capital employed

The basis of computation of above parameters is provided in the table below.

Current Ratio	Current Assets / Current Liabilities
Debt Equity Ratio	(Non-current borrowings (+) current borrowings (-) cash and cash equivalent/ Equity
Debt Service Coverage Ratio (DSCR)	Profit before depreciation, amortization, finance costs, exceptional items and tax / (interest expenses (+) principal repayments of long-



	term debt (+) payment of lease liabilities)
Return on Equity (ROE)	Net Profit After Tax + Preference Dividend/Average Shareholders' Equity
Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory
Debtors Turnover Ratio	Net Credit Sales / Average Debtors
Trade Payables Turnover	Net Credit Purchase / Average Trade Payables
Net Capital Turnover Ratio	Net Sales / Average Working Capital # Average WC = Current Assets – Current Liabilities
Net Profit Ratio (NP Ratio)	(Net Profit After Tax / Net Sales)*100
Return on Capital Employed (ROCE)	Net Profit Before Interest and Tax / Capital Employed # Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

## 5. CIF Value of Imports

	31.03.2023	31.03.2022
Raw Material	Nil	Nil
Traded Goods	Nil	Nil
Fixed Assets	Nil	Nil

## 6. Expenditure in Foreign Currency

	31.03.2023	31.03.2022
Raw Material	Nil	Nil
Traded Goods	Nil	Nil
Fixed Assets	Nil	Nil

7. FOB Value of Exports Nil Nil

8. Income in Foreign Currency Nil Nil

9. **Loans Given:**

The Company has given loans / advances to various companies. Loan amount outstanding as at year end is given in below mentioned table as per section 186(4) of the Companies Act 2013.

(a) Particulars of loan given / Investment made:

S#	Name of loanee	Opening Balance	Loan repaid	Capital Advance	Outstanding Balance	Purpose
1	Mahendra Singh Sonti	22.00	5.00	Nil	17.00	Operational
2	Milestone academy	5.00	Nil	Nil	5.00	Operational
3	Harshadbhai patel	4.86	Nil	Nil	4.86	Operational
4	Bhamini Infrastructure Pvt. Ltd.	29.43	Nil	Nil	29.43	Inter corporate deposit
5	Kevin Maheshkumar Shah	Nil	Nil	950.00	950.00	Capital contribution for New Business
	<b>Total</b>	<b>61.29</b>	<b>5.00</b>	<b>950.00</b>	<b>1006.29</b>	

Note: During the year, the company has given unsecured advance of Rs. 950 lakhs to an individual pursuant to MOU dated 15.06.2022. As per the said MOU, the company will form joint venture for carrying out business of acquisition of land and construction and development of commercial and residential properties. The money were advanced for acquisition of land and for incidental expense by 16.08.2022. The board of directors have extended the period for land acquisition till 30.06.2024 by supplementary letter dated 07/03/2023. The board of directors of the company believes the

amount is recoverable and hence considered good. The interest on the said advance is postponed till 30.06.2024.

10. Balances of Depositors, Sundry Debtors, Creditors, and Loans & Advances are subject to confirmation and reconciliation, if any.

11. Previous year figures have been regrouped, rearranged and recast to correspond with the figures of the current years.

12. All known liabilities have been provided for in the books of accounts for the year under report.

13. Payments to Auditors For-	<b>F.Y. 2022-23</b>	<b>F.Y. 2021-22</b>
(i) Audit Fees	Rs.3.30	Rs. 2.20
(ii) Other Matters	Rs. Nil	Rs. 3.75

14. The balances of the Deposits could not be verified and hence relied on the data provided by the management.

15. **CSR Activities:**

Sr#		31.03.2023	31.03.2022
1	Amount required to be spent by the Company	10.19	12.02
2	Amount of Expenditure incurred	10.20	12.08
3	Shortfall at the end of the year	Nil	Nil
4	Total of Previous year shortfall	Nil	Nil
5	Reason for shortfall	N.A.	N.A.
6	Nature of CSR Activities	Women empowerment through education	Distribution of grocery to poor and needy people. Promotion of Education in Rural Areas
7	Details of related party transaction	Nil	Nil
8	Movement in provision during the year (where a provision is made with respect to a liability incurred by entering into contractual obligation)	Nil	Nil

16. **Trade Payables (Details of dues to Micro, Small and Medium Enterprises as per MSMED Act,2006):**

Particulars	31.03.2023	31.03.2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	0.000092
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	0.000092

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
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Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

#### 17. Statement of utilization of IPO Proceeds

Nature of the fund raised	Purpose for which funds were raised	Total amount raised	Utilized balance as at 31.03.23	Details of default (Reason/Delay)	Subsequently Rectified (Yes/No) and details
Initial Public Offer	Repayment of secured loans	750.00	750.00	Nil	N.A.
	Working capital requirement	2150.00	2150.00	Nil	N.A.
	General Corporate Purpose	853.75	853.75	Nil	N.A.
	Public issue expense	60.00	35.7937	Rs. 24.2063	No

18. The Company is a Level-I Enterprise as defined in applicability of Accounting Standards to Corporate Entities. Accordingly, the Company has complied with the Accounting Standards applicable to Level-I Enterprise.

#### Signature to Schedule 1 to 25

**For, Rachana Infrastructure Limited**

**For, Ankit Chokshi & Co.**  
 (F. R. No. - 121722W)  
 (Chartered Accountants)

\_\_\_\_\_  
 Bhaminiben Mehta  
 Director  
 DIN: 01646822

\_\_\_\_\_  
 Girishbhai Raval  
 Managing Director  
 DIN: 01646747

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 Anish Jhaveri  
 (Partner)  
 M.No. 111556  
 UDIN: 23111556BGZZML1535  
 Date: 30-05-2023  
 Place: Ahmedabad

\_\_\_\_\_  
 Ishita Raval  
 C.F.O.

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 C.S. Smit Shah

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**RACHANA INFRASTRUCTURE LIMITED**  
**CIN: L45203GJ2001PLC039725**

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