



# **Rachana** Infrastructure Ltd.

604, 6th Floor, Zion Z1, Nr. Avalon Hotel, Sindhu Bhavan Road, Bodakdev, Ahmedabad-380054  
Phone : 079 - 4917 2660 E-mail : rachanainfra404@gmail.com / info@rachanainfra.com  
Website : www.rachanainfra.com CIN No. : L45203GJ2001PLC039725

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E), Mumbai- 400 051,  
Maharashtra, INDIA

**Date: 03<sup>rd</sup> September, 2024**

**Scrip Code: - RILINFRA**

**Sub: Annual Report for the Financial Year 2023-24 including Notice of Annual General Meeting**

Dear Sir/ Madam,

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 Annual Report of the Company for the Financial Year 2023-24 including the Notice convening Annual General Meeting, being sent to the Members through electronic mode, is attached.

The Annual Report including Notice is also uploaded on the Company's website and can be accessed at <https://rachanainfra.com/annual-report/>.

Kindly take the same on record.

**Thanking you.**  
**Yours faithfully,**  
**For, Rachana Infrastructure Limited**



**Himali M. Thakkar**  
**Company Secretary & Compliance Officer**  
**Membership No: A47962**

**RACHANA**  
**INFRASTRUCTURE LIMITED**

**FINANCIAL YEAR 2023-2024**

**23<sup>RD</sup> ANNUAL REPORT**





## **TRANSPORTATION AND INFRASTRUCTURES**



## **MININGS**



## **IRRIGATION**



## **BUILDINGS & CONSTRUCTION**

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## MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

### MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR



**Dear Shareholders,**

#### Greetings

We take immense pleasure by sharing with you about the performance of your Company and to present Annual Report for the Financial Year 2023-24.

Apart From presenting the Annual Report, we would like to share a good news about our company that our Company recently has been awarded with a new project "Palamu Pipeline irrigation scheme (Package-II) on turnkey basis with 10 (Ten) years operation, maintenance and management (OMM) amounting to " Rs. 287,04,85000/- (Two hundred eighty-seven Crores Four Lakhs and Eighty-Five thousand only) in sublet Agreement with the "LCC PROJECTS PRIVATE LIMITED (LCC)"

#### Industrial Outlook

"Infrastructure is the backbone of the Economy. Our country as compared to other Developed countries lags when it comes to Infrastructure and related facilities, but in the recent years the Indian Infrastructure has got a boost by many progressive policies and initiatives of the Government.

#### Experience and Expertise

Since its incorporation in 2001 Rachana Infrastructure Ltd, have time to time proved its mettle and strength in the field of Infrastructure. We have acclaimed experience and expertise in the field of road construction. Consistently building roads 100 to 500 Kms of roads every year since past five years, including both Flexible (Bituminous) Pavement and Rigid (Cement Concrete) Pavement. We have carried out work for Pipeline laying and having work experience in irrigation projects.

#### Financial Highlights

During the year under review, your Company has achieved a total Net sale of Rs. 9396.95 lakhs compared to previous financial years Net sales of Rs. 6522.90 Lakhs and achieved Net Profit Before tax of Rs. 454.14 Lakhs (EBT) Compared to profit before tax of Rs. 303.94 Lakhs and Net Profit after Tax (NP) of Rs. 362.85 Lakhs compared to the and Net Profit after Tax compared to Previous year's net profit after tax of Rs.226.21 Lakhs. Your directors are optimistic about the performance of the Company in the coming years.

Annual Report 2023-24

## MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

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### Manpower

We attribute our talented team, who consistently works together to develop with this success for their commitment and diligence. Our success has been fuelled by their dedication to excellence and our unwavering focus on satisfaction of the work. We own all the equipment manpower (Operational, Technical and Clerical). We command a fleet of latest machinery (Plant and Equipment and Laboratory) that empowers us to undertake mammoth tasks of road building. With over 150 employees and growing every year we have an established and motivated workforce, which is not only a team but also a family.

### Future Growth and Outlook

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. To achieve the aim of 5 trillion Dollar economy, India needs to focus on rapid growth in industrialization. With government encouragement in new industry set up; we are also focusing to increase our presence in the sector of development of Industrial infrastructure.

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 based company. Your Company got the contracts from the Government Local Government 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 the 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.

### Closing in gratitude:

On behalf of the Board of Directors and the Management, I would like to thank all the valued shareholders of the Company for your 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 your Company in the forthcoming years.

We extend our sincere appreciation to colleagues on the management 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 who have reposed their trust in us and given us constant support.



## MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

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We express our heartfelt appreciation to our shareholders for their continued trust and support. Together, we envision a future of shared success and prosperity, as we embark on this journey, we invite you to be a part of our growth story and share in the rewards of our success. Your faith in us motivates us to strive for excellence and make a positive impact on the industry we serve.

we invite you to be a part of our growth story and share in the rewards of our success. Your faith in us motivates us to strive for excellence and make a positive impact on the industry we serve.  
Thank you for being an integral part of the Rachana family.

**With Warm Regards,**

**Sd/-**

**Yours Sincerely**

**Girishkumar Ochchhavlal Raval**  
**Chairman & Managing director**  
**DIN:01646747**

## CORPORATE INFORMATION

### CORPORATE INFORMATION

#### **BOARD OF DIRECTORS**

**Mr. Girishkumar Ochchhavlal Raval:**

Chairman & Managing Director

**Ms. Bhaminiben Baldevprasad Mehta:**

Director

**Mr. Ashok Kumar Raval:**

Director

**Mr. Kalpit Dave**

Independent Director

**Mr. Saureen Patel**

Independent Director till 30/08/2023

**Mr. Bharatkumar Chaudhary**

Independent Director

**Mrs. Dhvani Solanki**

Additional Director w.e.f 30/08/2023 &

Independent Director w.e.f 30/09/2023

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Smit Dhanvantkumar Shah (up to 13<sup>th</sup> December, 2023)

Ms. Himali Maheshbhai Thakkar (From 06<sup>th</sup> January, 2024)

#### **CHIEF FINANCIAL OFFICER (CFO)**

Mrs. Ishita Raval

#### **STATUTORY AUDITOR**

**M/s. Ankit Chokshi & Co.**

Chartered Accountants,

Statutory Auditor up to -2<sup>nd</sup> September, 2024

M/s. B J Patel & J L Shah

Chartered Accountants,

Statutory Auditor w.e.f. 03<sup>rd</sup> September, 2024 subject to appointment in the 23<sup>rd</sup> AGM of the Company

#### **COST AUDITOR**

**M/S Dalwadi and Associates.**

Cost Accountants

#### **BANKER**

Bank of Baroda

#### **CORPORATE IDENTITY NUMBER (CIN)**

L45203GJ2001PLC039725

#### **REGISTERED OFFICE**

604, 6th Floor, Zion Z-One Near Hotel Avalon, off. Sindhu bhavan Road, Ahmadabad Gujarat 380054 India

Phone: 079 49172660

#### **MAIL & WEBSITE**

rachanainfra404@gmail.com

www.rachanainfra.com

#### **REGISTRAR AND SHARE TRANSFER AGENT (RTA)**

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

#### **INTERNAL AUDITOR:**

M/s. Ankit P. Gupta & Co.

Chartered Accountants,

803, 8th Floor, Lilamani Corporate Heights, Nava Vadaj,

Ahmedabad—380013

#### **SECRETARIAL AUDITOR:**

M/S. Mukesh H. Shah & Co.

504, Sukh Sagar Complex, Near Hotel Fortune Landmark, Ushmanpura, Ashram Road, Ahmedabad.

## NOTICE

### NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

**NOTICE is hereby given that the 23<sup>rd</sup> (Twenty Third) Annual General Meeting of the Shareholders of RACHANA INFRASTRUCTURE LIMITED will be held on Thursday, 26th September, 2024 at 01.00 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business:**

#### **ORDINARY BUSINESS:**

- I.** To receive, consider and adopt the Standalone audited Financial Statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon;  
**"RESOLVED THAT,** Audited Financial Statement of the Company for the Financial Year ended as on 31<sup>st</sup> March, 2024 and the report of the Board of Directors' and Auditors' thereon laid before this meeting be and is hereby considered and adopted.
- II.** To appoint Director in place of **Mr. GIRISHKUMAR OCHCHHAVLAL RAVAL (DIN: 01646747)** who retires by rotation and being eligible offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

- III. TO APPOINT THE STATUTORY AUDITORS OF THE COMPANY TO FILL THE CASUAL VACANCY. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and in accordance with the provisions stipulated by SEBI vide its circular no. CIR/CFD/CMD1/ 114/2019 dated October 18, 2019 and on the recommendations of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded for appointment of M/s. B. J. Patel & J. L. Shah, Chartered Accountants (having Firm registration No104148W) as Statutory Auditors of the Company to fill casual vacancy caused by the resignation of M/s Ankit Choksi & Co., Chartered Accountants, (Firm Registration No. 121722W) with effect from 03<sup>rd</sup> September, 2024, to hold office as the Statutory Auditors of the Company from the Conclusion of this 23<sup>rd</sup> AGM to be held on 26<sup>th</sup> September, 2024 till the conclusion of 28<sup>th</sup> AGM of the Company From Financial Year 2024-25 to 2028-2029 and that they shall conduct the Statutory Audit W.e.f 01<sup>st</sup> April,2024 and Provide Limited Review Report for the half year ended 30<sup>th</sup> September, 2024) and such other audit/review/certification/work as may be required and/or deemed expedient, on such remuneration and out-of-pocket expenses, as may be fixed by the Management of the Company, in consultation with them.

**"RESOLVED FURTHER THAT,** the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things, as may be necessary and expedient for the purpose of giving effect to this resolution."

#### **IV. RATIFICATION OF COST AUDITOR'S REMUNERATION FY 2024-25**

**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

Annual Report 2023-24

## NOTICE

meeting of Board of Directors as the Cost Auditor to conduct audit of Cost Records maintained by the Company for the financial year 2024-25, 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 authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### V. RELATED PARTY TRANSACTION WITH DNM OVERSEAS PRIVATE LIMITED

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 188 (1) (a) of the Companies Act, 2013 and all other applicable provisions, Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), if any and such other rules as may be applicable and amended from time to time and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ("SEBI Listing Regulations"), the applicable provisions of the Company's Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with **DNM OVERSEAS PRIVATE LIMITED (parties/entities)** falling within the definition of 'Related Party' under Section 2 (76) of the Act and Regulation 2 (1)(zb) of the SEBI Listing Regulations, in the course of (a) purchase/sale/exchange/transfer/ lease of business, raw materials, man power, and/or equipment to meet its business objectives/requirements; (b) transfer of any resources, services or obligations to meet its business objectives/ requirements ("Related Party Transactions") on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related parties and the Company, for each of the financial years (FY) from FY 2024-25 to FY 2028-29 i.e. five financial years, such that the maximum value of the Related Party Transactions with such parties, in aggregate, does not exceed value as specified under each category for each financial year, provided that the said contract(s)/arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and in respect of transactions with related parties under Section 2(76) of the Act, are at arm's length basis.'

**"RESOLVED FURTHER THAT,** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

## NOTICE

### VI. TO RE-APPOINT MR. GIRISHBHAI OCHCHAVLAL RAVAL (DIN: 01646747) AS A CHAIRMAN & MANAGING DIRECTOR & INCREASE IN OVERALL MAXIMUM REMUNERATION PAYBLE:

**To Consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution: -**

**"RESOLVED THAT,** Pursuant to the provisions of Section 196,197, 198 Schedule- V as applicable and other applicable Provisions, if any of the Companies Act,2013 (hereinafter referred as "the Act") including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals as may be required in this regard, the consent of the shareholders be and is hereby accorded to reappoint Mr. Mr. Girishbhai Ochchavlal Raval (DIN: 01646747) as Managing director of the company for a further period of Five (5) years of his tenure w.e.f.30<sup>th</sup> September,2024 to 29<sup>th</sup> September,2029 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may deem fit and as may be acceptable to Mr. Girishbhai Ochchavlal Raval (DIN: 01646747) subject to same as per the provisions of the Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactments thereof."

**"RESOLVED FURTHER THAT,** in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Schedule V and other applicable provisions if any, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, if any and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded to increase the overall maximum managerial remuneration prescribed in provision of Schedule V of the Companies Act, 2013 and the Rules made thereunder and Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, the terms and remuneration are set out in the statement annexed to the Notice convening this Meeting.

**"RESOLVED FURTHER THAT,** in the event of inadequacy or absence of profits during this financial year, the remuneration comprising salary, perquisites and benefits approved by the Board of Directors be paid as minimum remuneration to the Managing Director.

**"RESOLVED FURTHER THAT,** in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Schedule V and other applicable provisions if any, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, if any and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded to increase the overall maximum managerial remuneration prescribed in provision of Schedule V of the Companies Act, 2013 and the Rules made thereunder and Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, the terms and remuneration are set out in the statement annexed to the Notice convening this Meeting.

**NOTICE****VII. TO RE-APPOINT MR. KALPIT MANISHBHAI DAVE (DIN: 08575050) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

**To Consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, Mr. Kalpit Manish Bhai Dave (DIN: 08575050) who was appointed as an Additional Director of the Company in the capacity of an Independent Director of the Company as on 20<sup>th</sup> December, 2019 and Regularized as Independent Director as on 20<sup>th</sup> December, 2020 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of members of the Company be and is hereby accorded for the re-appointment of Mr. Kalpit Manish Bhai Dave (DIN: 08575050) As An Independent Director Of The Company on the completion of his term as on 19<sup>th</sup> December, 2024 as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five years with effect from December 19, 2024 till December 18, 2029."

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby authorized to sign the requisite forms / documents and to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be considered necessary, desirable or expedient to give effect to this resolution."

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

**Date: September 03, 2024**

**Place: Ahmedabad**

**Rachana Infrastructure Limited**

**Sd/-**

**Girish Kumar O. Raval**

**Chairman & Managing Director**

**DIN: 01646747**

**Registered Office:**

**604, Zion Z1, Near Avalon Hotel,**

**Off Sindhubhavan Road,**

**Ahmedabad-380054**

## NOTES TO NOTICE

### Notes:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM 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 evoting 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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. 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/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the MCA Circulars and the SEBI Circulars, the Notice of 23<sup>rd</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).

The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

## NOTES TO NOTICE

7. 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 / authorization letter to the Company at [info@rachanainfra.com](mailto:info@rachanainfra.com).
8. In continuation to this Ministry's **General Circular No. 20/2020** dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.
9. Details of the Directors seeking appointment/re-appointment at the 23<sup>rd</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 Friday, 20th September, 2024 till Thursday, 26th September, 2024 (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 up to Annual Report 2023-24 the date of AGM (i.e.) 26th September, 2024. 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: -



## NOTES TO NOTICE

### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in Demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in Demat mode.

- (i) The voting period begins on 23<sup>rd</sup> September, 2024 at 9:00 a.m and ends on 25<sup>th</sup> September, 2024 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19<sup>th</sup> September, 2024 of Record Date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in Demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

## NOTES TO NOTICE

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in Demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

## NOTES TO NOTICE

	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000</p>

## NOTES TO NOTICE

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in Demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 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](http://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:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> 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. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is

## NOTES TO NOTICE

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- strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the Rachana Infrastructure Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- 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 will be mapped automatically & can be delink in case of any wrong mapping.

## NOTES TO NOTICE

- It is Mandatory that, 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 mandatory 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; info@rachanainfra.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for 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 e-voting.
3. 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/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 (company email id). 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 (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast

## NOTES TO NOTICE

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by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

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.

**EXPLANATORY STATEMENT PURSUANT TO 102 OF THE COMPANIES ACT, 2013 TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013*****Item No.3:***

The members of the Company at 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December, 2020 had appointed M/s. Ankit Choksi & Co., Chartered Accountants (Firm Registration no.: 121722W) as the Statutory Auditors of the Company for period of five years till the Conclusion of 24<sup>th</sup> AGM of the Company (i.e., from FY 2020-21 to 2024-25).

M/s. Ankit Choksi & Co., Statutory Auditors, vide their letter dated 02<sup>ND</sup> September, 2024 submitted resignation to the Board and Audit Committee citing reason due to pre occupation in other projects the Auditor unable for us to continue. The Board of Directors of the Company ("Board") accepted the resignation of M/s. Ankit Choksi & Co., with immediate effect.

Further, the Board at the aforesaid meeting, on the recommendation of the Audit Committee and subject to the approval of members of the Company, approved the appointment of M/s. B. J. Patel & J. L. Shah Chartered Accountants (Firm Registration No. 104148W), as the Statutory Auditors of the Company, in the casual vacancy caused by the resignation of M/s. Ankit Choksi & Co., till the conclusion of 28<sup>th</sup> Annual General Meeting of the Company to be held in calendar year 2028-2029. M/S. B J Patel & J L Shah Chartered Accountants, being eligible under section 139(1) and other applicable provisions, if any, of the Act, have consented to act as the Statutory Auditors of the Company and have also confirmed that their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The said appointment of M/s. B. J. Patel & J. L. Shah Chartered Accountants, shall be pursuant to applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and terms as contained in SEBI circular No. CIR/CFD/CMD/1/114/2019 dated 18th October, 2019. The remuneration to be paid to the Statutory Auditors shall be mutually decided by the Board of Directors. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors / Key Managerial Personnel of the company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at the Item No. 3 of the accompanying Notice of the AGM. The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by 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.



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

### Brief Profile of the Statutory Auditor of the Company

Particulars	Details
Name of Company	Rachana Infrastructure Limited
Name of the Auditor	M/s. B. J. Patel & J. L. Shah, Chartered Accountants
Reason for Change viz., Appointment, resignation, removal, death or otherwise	Appointment as Statutory Auditor of the Company
Date of Appointment & Term of Appointment;	From the Conclusion of the 23 <sup>rd</sup> Annual General Meeting till the Conclusion of the 28 <sup>th</sup> Annual General Meeting of the Company, subject to the approval of members in the ensuing Annual General Meeting.  Term: 05 years
Brief profile (in case of appointment)	M/s. B. J. Patel & J. L. Shah, Chartered Accountants Ahmedabad, having Firm Registration Number 104148W. The Firm is almost 49 years old and having three branches and 5 full time partners with peer reviewed and Category-1 as per RBI panel.  They are offering Tax audits, Corporate Audits, Government Audits, Bank Audits, System audits, Due diligence, Business valuations, Consulting for GST including filing of returns, Corporate Advisory services, Full-fledged consulting for IBC Matters including buy side advisory to their esteemed Clients.
Disclosure of relationships between directors (in case of appointment)	Not Applicable

#### Item No. 4:

The Board at its meeting held on 30<sup>th</sup> May, 2024 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 2024-25 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.

#### Item No. 5

Pursuant to provisions of Section 188 of the Companies Act, 2013 read with rules made there under and in terms of applicable provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Consent of the members by way of Ordinary Resolution is required for approval of material related party transactions entered/Proposed to be entered in to by the company with its related parties.

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

Your Company has some related party transactions with M/S DNM OVERSEAS PRIVATE LIMITED Such as Rent amount to be paid by DNM OVERSEAS PRIVATE LIMITED by using Property of RACHANA INFRASTRUCTURE LIMITED for its official purpose.

Sr. No	Name of related party	Name of the director/KMP and their relatives who are related, if any	Nature of Relationship	Nature of Transactions	Proposed Amount of Transaction
1.	DNM OVERSEAS PRIVATE LIMITED	Mr. Brijesh Girishbhai Raval and 2. Mr. Jaydeep Girishbhai Raval both are Directors of DNM Overseas Private Limited	Both are the son of Mr. Girishbhai Ochchhavlal Raval MD of Rachana Infrastructure Limited	Rent Income	To the extent of Rs. 50 Lakhs p.a.

### Item No. 6

The Board of Directors of the Company ("Board"), at its meeting held on September 03, 2024 has, subject to the approval of members, re-appointed Mr. Girishbhai Ochchhavlal Raval (DIN: 01646747) as a Chairman & Managing Director, for a period of 5 (five) years from the expiry of his present term, i.e., with effect from September 30, 2024 to September 29, 2029, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee ("NRC") of the Board and approved by the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Mr. Girishbhai Ochchhavlal Raval (DIN: 01646747) as Managing Director for the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of, and remuneration payable to, Mr. Girishbhai Ochchhavlal Raval (DIN: 01646747) are as under:

Overall Maximum remuneration, Perquisites and Allowance per annum payable:

Particulars

: **Up to Rs. 50,00,000/- per annum**

Total Salary payable includes:

- Basic Salary
- Other benefits Like Gratuity, Provident Fund, Leave etc. as applicable as per rules of the Company.
- Other Perquisites and benefits as per the rules of the Company.

**Mr. Girishbhai Ochchhavlal Raval (DIN: 01646747)** satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Except Mr. Girish Kumar Ochchhavlal Raval, Mr. Ashok Kumar Ochchhavlal Raval and Mrs. Bhaminiben Baldevprasad Mehta No other directors are Interested in above resolution as set out in item No. 6 of the Notice.

The Board recommends the Resolution of Item No. 6 for the approval of Members.

### ITEM NO. 7

Mr. Kalpit Manish bhai Dave (DIN: 08575050) was appointed as an Additional Independent Director of the Company by the Board of Directors in their meeting held on 20<sup>th</sup> December, 2019 and regularised as on 30<sup>th</sup> December, 2020 for the term of five years and as his term is going to complete as on 19<sup>th</sup> December, 2024. Therefore, herein with the recommendation of Nomination and Remuneration Committee and with the Approval of Board of Directors of the Company Mr. Kalpit Manish bhai Dave (DIN: 08575050) is re-appointed as an Independent Director of the Company

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

subject to the Approval of the Members of the Company in the 23<sup>rd</sup> Annual General Meeting with effect from 19<sup>th</sup> December, 2024 up to 18<sup>th</sup> December, 2029.

Accordingly, it is proposed to reappoint Mr. Kalpit Manish bhai Dave (DIN: 08575050) as a Non-Executive Independent Director of the Company not liable to retire by rotation and to hold office for a term of 5(Five) Consecutive Years on the Board of the Company.

Mr. Kalpit Manish bhai Dave (DIN: 08575050) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as an Independent Director.

The Company has also received declaration from Kalpit Manish bhai Dave (DIN: 08575050) that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Kalpit Manish bhai Dave (DIN: 08575050) fulfils the conditions for appointment as an Independent Directors as specified in the Act and the Listing Regulations

Except Mr. Kalpit Manish bhai Dave (DIN: 08575050) and his relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Additional information of Mr. Kalpit Manish bhai Dave (DIN: 08575050) whose appointment as Independent Directors is proposed at Item No. 7, is provided in the "Annexure 1" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

**By Order of the Board of Directors  
For Rachana Infrastructure Limited**

**Place: Ahmedabad  
Date: 03<sup>rd</sup> September, 2024**

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

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

### Details For Remuneration As per Schedule V to the Chairman & Managing Director

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate/no profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

Based on the recommendations of the Nomination & Remuneration Committee, the board of Directors of the Company at their meeting held on 03<sup>rd</sup> September, 2024, proposed to increase in Remuneration payable to Mr. Girish Ochchhavlal Raval (DIN:01646747) up to Rs.50,00,000 p.a. w.e.f. 1<sup>st</sup> October, 2024. The managerial remuneration shall not exceed the maximum limit prescribed under the Companies Act, 2013. Details as required under part II of Schedule V are as follows

#### 1. General Information

- i. Nature of industry: Infrastructure industry
- ii. Date or expected date of commencement of commercial production: The Company is in to the business of Infrastructure and mining since its incorporation.
- iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

Particulars for the year ended	March 31, 2024
<b>Net revenue from Operations (Sales)</b>	<b>9396.95</b>
Profit Before Depreciation, Exceptional Item and Tax	699.72
Less: Depreciation	245.58
<b>Profit Before Extra-Ordinary Items and Tax</b>	<b>454.14</b>
Extra Ordinary Items	0.00
<b>Profit Before Tax</b>	<b>454.14</b>
Tax Expense	
-Current Tax	110
Less: MAT Credit Receivable	0.00
-Deferred Tax	(18.72)
<b>Profit After Tax</b>	<b>362.85</b>

#### 2. Information about the appointee:

- I. Background details: Mr. Girish Ochchhavlal Raval is a Managing Director of Company. He holds a Bachelor degree in Business Administration. He is having more than 40 Years of Experience in the Infrastructure Field.
- II. Past Remuneration: Rs. 45 Lakhs p.a.

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

### Job Profile and his suitability:

Mr. Girish Ochchhavlal Raval, being a Managing Director, considering his vast experience and deep knowledge of the business in which Company operates and also contribution made by him towards growth of the Company, the remuneration proposed commensurate with his job profile and is justified.

V. Remuneration Proposed: Considering the involvement and efforts made by Mr. Girish Ochchhavlal Raval, Managing Director of the Company, the Board is proposed to revision of his remuneration and increase from Rs. 45 Lakhs to Maximum Rs. 50 Lakhs per annum. Subject to the approval of members of the Company as mentioned in the resolution number 05 of the Notice.

VI. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Not applicable.

VII. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Girish Ochchhavlal Raval, is Managing Director of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration in the Company. He is Husband of Mrs. Bhamini Baldevprasad Mehta, Non-Executive Director of the Company and Brother of Mr. Ashok Ochchhavlal Raval.

### 3. Other information:

**I. Reasons of loss or inadequate profits:** The Company is engaged in the business of Infrastructure (Basically it is based on Project basis) and Quarry mining etc. During the Year 2023-24, the Company made Profit after Tax of Rs. 362.85 Lakhs. However, the amount of proposed remuneration is exceeding the limit specified in the section and therefore the profit of the Company is inadequate.

**II. Steps taken or proposed to be taken for improvement:** The Company has increased its revenue significantly which will help it to achieve in increased profits. The Company has started Focusing on the large size business and started to put an Effort on place appropriate working capital mechanism and on all other economic measures ae being adopted to maintain profitability.

**III. Expected increase in productivity and profits in measurable terms:** Your company is making all Continuous Efforts to expand in operations.

Except Mr. Girishbhai Ochchhavlal Raval, Mrs. Bhaminiben Baldevprasad Mehta and Mr. Ashok Bhai Ochchhavlal Raval along with their relatives, none of the other Directors or the Key Managerial Personnel or their relatives except to their shareholding is in any way interested or concerned, financially or otherwise

in this Resolution at Item No. 6 of the Notice.

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

### DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	GIRISHKUMAR OCHCHHAVLAL RAVAL	KALPIT MANISHBHAI DAVE
Directors Identification Number [DIN]	01646747	08575050
Date of Birth and Age	18/02/1959 (65 Years)	03/03/1993
Date of appointment on the Board	29/06/2001	20/12/2019
Qualifications	Bachelor of Business Administration	Diploma in Mechanical Engineering
Directorship held in other Public Companies (excluding foreign, private and Section 8 companies)	Nil	Nil
Memberships/ Chairmanships of Committee of other public companies (includes only Audit Committee & Stakeholders' Relationship Committee)	Nil	Nil
Number of shares held in the Company	56,86,981	Nil
Expertise in Specific Area	He is having more than 40 years of experience in the infrastructure field.	He is having more than 9 years of experience in the Production engineering field
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company:	Mr. Girishbhai Ochchhavlal Raval is spouse of Ms. Bhaminiben Baldevprasad Mehta and Brother of Mr. Ashok Bhai Raval as well as Father-in-law of Ms. Ishita P. Raval	None

**By Order of the Board of Directors**

**Place: Ahmedabad**

**Date: 03<sup>rd</sup> September, 2024**

**For, Rachana Infrastructure Limited**

**Sd/-  
Girish Kumar O. Raval  
Chairman & Managing Director  
DIN: 01646747**

Annual Report 2023-24

## DIRECTORS' REPORT

### DIRECTOR'S REPORT

Dear Members,

Your directors take pleasure in presenting the 23<sup>rd</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, 2024.

#### 1. FINANCIAL RESULTS

The Financial Performance of the company for the year ended 31<sup>st</sup> March; 2024 is summarized as below:

(Rs. in Lakhs except EPS)

Particulars for the year ended	March 31, 2024	March 31, 2023
<b>Net revenue from Operations (Sales)</b>	<b>9396.95</b>	<b>6522.90</b>
Profit Before Depreciation, Exceptional Item and Tax	699.72	490.40
Less: Depreciation	245.58	186.46
<b>Profit Before Extra-Ordinary Items and Tax</b>	<b>454.14</b>	<b>303.94</b>
Extra Ordinary Items	0.00	0.00
<b>Profit Before Tax</b>	<b>454.14</b>	<b>303.94</b>
Tax Expense		
-Current Tax	110	75.00
Less: MAT Credit Receivable	0.00	0.00
-Deferred Tax	(18.72)	2.73
<b>Profit After Tax</b>	<b>362.85</b>	<b>226.21</b>
EPS (Basic) (In Rs.)	1.95	1.22
EPS (Diluted) (In Rs.)	1.95	1.25

#### 2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

During the year under review, your Company has achieved a total Net sale of Rs. 9396.95 lakhs and achieved Net Profit after Tax (NP) of Rs. 362.85 Lakhs 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. RESERVES & SURPLUS:

The Company has incurred profit of Rs.362.85 Lakhs for the current financial year and the same is proposed to be transferred to Reserves & Surplus.

#### 4. SHARE CAPITAL:

##### a) **Authorized Capital:**

The authorized 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 change in the Authorised Share Capital of the Company.

## DIRECTORS' REPORT

**b) Issued Capital, Subscribed and Paid-up Capital:**

Rs. 18,60,050,000 (Rupees Eighteen Crores Sixty Lakhs Five Thousand only) divided in to 1,86,05,000 (One Crore Eighty-Six Lakhs Five Thousand) Equity Shares of Rupees 10/- Each.

**c) Utilization of Excess Fund Transferred in General Corporate Purpose from The Fund Raised for Public Issue Expenses:**

Pursuant to Regulation 32(4) of the SEBI (LODR) Regulations, 2015 the detail for Utilization of Excess Fund Transferred in General Corporate Purpose from The Fund Raised for Public Issue Expenses mentioned as under.

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, Company 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 decided to transfer the said excess money under the head of General Corporate Purpose to utilize the fund in more profitable activities.

Therefore, with the intention of enhancing the value of Shareholders by utilizing the issue proceeds in the profitable activities the Company on the 22<sup>nd</sup> Annual General meeting Company has passed Special Resolution and with the Approval of Members the said Amount of Rs.24.21 Lakhs transferred to use fund in General Corporate Purpose and then utilised the said fund adequately which leads to increased Profitability.

### 5. DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2024.

#### **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 2023-24.

### 7. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

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

### 8. CORPORATE GOVERNANCE

Your Company has been complying with the principles 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 it does not form the part of the Annual Report for the Financial Year 2023-24.

Annual Report 2023-24



## DIRECTORS' REPORT

### 9. 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

Details of loans and guarantees given, investments made and securities provided, if any, as covered under the provisions of Section 186 of the Act are disclosed in the notes to the financial statements.

### 11. 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.

### 12. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures.

- a) 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.
- b) 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.
- c) The directors have prepared the annual accounts on a going concern basis.
- d) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- e) 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.

### 13. ANNUAL RETURN

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

### 14. BOARD OF DIRECTORS, BOARD AND COMMITTEE MEETINGS & KEY MANAGEMENT PERSONNEL

#### I. COMPOSITION OF BOARD:

The Company has a balanced board with optimum combination of Executive, Non-Executive and Independent Directors. Which plays a Crucial role in board processes and provides independent judgement on issues of

## DIRECTORS'REPORT

strategy and performance. The board of Directors of the Company consist of eminent individuals from diverse fields having experience and expertise in their respective fields. As on March 31, 2024 Board comprises of 6 (Six) directors out of which 1 (one) is an Executive Director, 2(two) are non-Executive non independent directors and remaining 3 (three) are Non-Executive Independent directors. Independent directors are appointed in compliance with the applicable provisions of the Act, as amended from time to time.

The Chairman of the Board is an executive Director.

None of the directors on the board holds the directorship in more than 20 (twenty) Companies and out of them none of the director holds the directorship in 10(ten) public companies at a time, pursuant to provision of section 165 of the Act.

The table below gives the Composition of the Board and the directorship held by each of the company at the end of Financial Year 2023-24.

NAME OF DIRECTOR	CATEGORY	DATE OF APPOINTMENT	NUMBER OF SHARES HELD BY DIRECTORS IN THE COMPANY
MR. GIRISHKUMAR OCHCHHAVLAL RAVAL (CHAIRMAN & MANAGING DIRECTOR) DIN: 01646747	PROMOTER-EXECUTIVE DIRECTOR	29/06/2001	5686981
MS. BHAMINIBEN BALDEVPRASAD MEHTA (DIRECTOR) DIN:01646822	PROMOTER- NON-EXECUTIVE NON- INDEPENDENT DIRECTOR	29/06/2001	1531800
MR. ASHOK KUMAR OCHCHHAVLAL RAVAL (DIRECTOR) DIN: 01646865	NON-EXECUTIVE NON- INDEPENDENT DIRECTOR	29/06/2001	685998
MR. KALPIT MANISH BHAI DAVE (DIRECTOR) DIN:08575050	NON-EXECUTIVE NON- INDEPENDENT DIRECTOR	20/12/2019	NIL
MR. BHARATKUMAR CHAUDHARY (DIRECTOR) DIN:08638911	NON-EXECUTIVE NON- INDEPENDENT DIRECTOR	16/02/2022	NIL
MS. DHWANI JASPALSINH SOLANKI (DIRECTOR) DIN: 10299290	NON-EXECUTIVE NON- INDEPENDENT DIRECTOR	30/08/2023	NIL
MR. SAUREEN BHARATKUMAR PATEL (DIRECTOR) DIN: 08575790	NON-EXECUTIVE NON- INDEPENDENT DIRECTOR	30/12/2020	NIL

\*Mr. Saureen Bharatkumar Patel had tendered his resignation as a Non-Executive and Independent Director of the company with effect from 30<sup>th</sup> August,2023.

## DIRECTORS' REPORT

\*Ms. Dhvani Jaspalsinh Solanki has been appointed as an Additional Director in the category of Non-Executive and Independent Director of the Company at the Board Meeting dated August 30, 2024. Subsequently in the 22<sup>nd</sup> Annual General Meeting of the Company, Members have approved her regularization by passing a Special Resolution. As on March 31, 2024 none of the Directors of the Company were related to each other except Mr. Girish Kumar Ochchhavlal Raval Managing Director, Ms. Bhaminiben Baldevprasad Mehta Director and Mr. Ashok Kumar Ochchhavlal Raval Director who are related to each other as per the provisions of the Act.

### II. MEETING OF BOARD OF DIRECTORS:

During the Financial Year ended March 31, 2024 TEN (10) meetings of the Board of directors of the company. The Intervening gap between the Meetings was within the limit prescribed under the Companies Act, 2013. The following meetings of the Board of Directors were held during the financial year ended March 31, 2024 with attendance of each Director at the Board Meeting and Annual General Meeting.

Sr. No	Date of Meeting	Name of the Directors						
		Girish Kumar Raval	Bhamini ben Mehta	Ashok kumar Raval	Saureen Patel (Up to 30/08/2024)	Kalpiti Dave	Bharat Kumar Chaudhary	Dhwani Solanki (From 30/08/2024)
I.	25/04/2023	Yes	Yes	Yes	Yes	Yes	No	N.A.
II.	30/05/2023	Yes	Yes	Yes	Yes	Yes	No	N.A.
III.	01/08/2023	Yes	Yes	Yes	Yes	Yes	No	N.A.
IV.	30/08/2023	Yes	Yes	Yes	Yes	Yes	Yes	N.A.
V.	18/09/2023	Yes	Yes	Yes	N.A.	Yes	No	Yes
VI.	08/11/2023	Yes	Yes	Yes	N.A.	Yes	No	Yes
VII.	29/11/2023	Yes	Yes	Yes	N.A.	Yes	No	Yes
VIII.	13/12/2023	Yes	Yes	Yes	N.A.	Yes	No	Yes
IX.	06/01/2024	Yes	Yes	Yes	N.A.	Yes	Yes	Yes
X.	17/02/2024	Yes	Yes	Yes	N.A.	Yes	No	Yes
Annual General Meeting held on 30/09/2023		Yes	Yes	Yes	N.A.	Yes	Yes	Yes

\*Mr. Saureen Bharatkumar Patel had tendered his resignation as a Non-Executive and Independent Director of the company with effect from 30<sup>th</sup> August, 2023.

\*Ms. Dhvani Jaspalsinh Solanki has been appointed as an Additional Director in the category of Non-Executive and Independent Director of the Company at the Board Meeting dated August 30, 2024. Subsequently in the 22<sup>nd</sup> Annual General Meeting of the Company, Members have approved her regularization by passing a Special Resolution.

### III. APPOINTMENTS:

Ms. Dhvani Jaspalsinh Solanki has been appointed as an Additional Director in the category of Non-Executive and Independent Director of the Company at the Board Meeting dated August 30, 2024. Subsequently in the 22<sup>nd</sup> Annual General Meeting of the Company, Members have approved her regularization by passing a Special Resolution.

## DIRECTORS' REPORT

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### IV. CESSATIONS:

Mr. Saureen Bharatkumar Patel had tendered his resignation as a Non-Executive and Independent Director of the company with effect from 30<sup>th</sup> August, 2023.

### V. 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, **MR. GIRISHKUMAR OCHCHHAVLAL RAVAL (DIN: 01646747)**, 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.

**DIRECTORS' REPORT****VI. PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT:**

(i) At the 18<sup>th</sup> Annual General Meeting of the Company held on September 30, 2019 the Shareholders approved the re-appointment of MR. GIRISHKUMAR OCHCHHAVLAL RAVAL (DIN: 01646747) for further period of 5 (Five) years till September 30, 2024.

Based on the recommendation of the Nomination and Remuneration Committee, the Board has Considered and approved the appointment of MR. GIRISHKUMAR OCHCHHAVLAL RAVAL on Fresh terms and Conditions of reappointment and remuneration effective from September 30, 2024. Subject to the Approval of Members at the Forthcoming Annual General Meeting. The Board recommends their appointment.

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 23<sup>rd</sup> Annual General Meeting.

(ii) Mr. Kalpit Manish bhai Dave (DIN: 08575050) was appointed as an Additional Independent Director of the Company by the Board of Directors in their meeting held on 20<sup>th</sup> December, 2019 and regularised as on 30<sup>th</sup> December, 2020 for the term of five years and as his term is going to complete as on 19<sup>th</sup> December, 2024. Therefore, herein with the recommendation of Nomination and Remuneration Committee and with the Approval of Board of Directors of the Company Mr. Kalpit Manish bhai Dave (DIN: 08575050) is re-appointed as an Independent Director of the Company subject to the Approval of the Members of the Company in the 23<sup>rd</sup> Annual General Meeting with effect from 19<sup>th</sup> December, 2024 up to 18<sup>th</sup> December, 2029.

**VII. KEY MANAGERIAL PERSONNEL:**

Pursuant to provisions of Section 2(51) and 203 of Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended the following persons are to be Key Managerial Personnel of the Company;

As on the dated 31/03/2024, the following persons are the Key Managerial Personnel(s) of the Company:

- a) Mr. Girishkumar Ochchhavlal Raval, Chairman & Managing Director
- b) Ms. Ishita Prakash Kumar Raval, Chief Financial Officer
- c) Mr. Smit Dhanvantkumar Shah, Company Secretary & Compliance Officer (up to 13<sup>th</sup> December, 2023)
- d) Ms. Himali Maheshbhai Thakkar, Company Secretary & Compliance Officer (From 06<sup>th</sup> January, 2024)

During the year under review, Mr. Smit Dhanvantkumar Shah has resigned from the post of Company Secretary & Compliance officer of the Company. effective from 13<sup>th</sup> December, 2023 and The Board of directors has appointed Miss. Himali Thakkar as a Company Secretary & Compliance officer of the Company. Who is a Key Managerial Personnel as per Section 203 of the Act. Apart from the said change, there is no other change in the Key managerial personnel of the Company during the year under review.

**VIII. DECLARATION OF INDEPENDENCE FROM INDEPENDENT DIRECTORS:**

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.

**IX. DISQUALIFICATIONS OF DIRECTORS:**

During the Financial year 2022-2023 under review the company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 that none of the Directors of your Company is disqualified; to hold office as director disqualified as per provision of Section 164(2) of the Act and debarred from holding the office of a director pursuant to any order of the SEBI or any such authority in terms of SEBI letter dated June 14, 2018 and NSE circular dated June 20, 2018 on the subject "Enforcement of SEBI orders regarding appointment of Directors by Listed Companies".

The Directors of the Company have made necessary disclosures, as required under various provisions of the Act.

**1. COMMITTEES OF THE BOARD**

The Board receives regular communication regarding policy related issues as well as other pertinent and important information. Your Board Currently has Four (4) Committees, namely the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee to look into various aspects for which they have been established in order to provide better corporate governance and transparency. The terms of reference of these committees are in line with Act.

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 of board of directors 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 September 30, 2023 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.

## DIRECTORS' REPORT

Sr. no	Name of the Director	Category/Nature of Directorship	Number of meetings held		Percentage of Attendance
			Held	Attended	
1	Ms. Dhvani Jaspalsinh Solanki	Chairman, Non-Executive Independent Director	2	2	100%
2	Mr. Saureen Bharatkumar Patel	Member, Non-Executive Independent Director	2	2	100%
3	Mr. Kalpit Manish Bhai Dave	Member, Non-Executive Independent Director	4	4	100%
4	Ms. Bhaminiben Baldevprasad Mehta	Non-Executive, Non-Independent Director	4	4	100%

\*Mr. Saureen Bharatkumar Patel had tendered his resignation as a Non-Executive and Independent Director of the company with effect from 30<sup>th</sup> August, 2023.

\*Ms. Dhvani Jaspalsinh Solanki has been appointed as an Additional Director in the category of Non-Executive and Independent Director of the Company at the Board Meeting dated August 30, 2024. Subsequently in the 22<sup>nd</sup> Annual General Meeting of the Company, Members have approved her regularization by passing a Special Resolution.

The Committee was further reconstituted with effect from October 01, 2023

The Chief Financial Officer was invited to attend the audit Committee meetings. The Company Secretary of the company acts as a Secretary of the Committee. The Board of directors has taken note of and accepted the observations and recommendations made by the Audit Committee.

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 2023-24 on 30/05/2023, 30/08/2023, 08/11/2023 and 17/02/2024.

### 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.

The Committee was further reconstituted with effect from October 01, 2023

The details of the Nomination and Remuneration Committee meetings attended by its members during FY 2023-24 are given below:

## DIRECTORS'REPORT

Sr. no	Name of the Director	Category/Nature of Directorship	Number of meetings held		Percentage of Attendance
			Held	Attended	
1.	Mr. Bhartkumar Dipak Bhai Chaudhary	Chairman, Non-Executive Independent Director	2	2	100%
2.	Ms. Dhvani Jaspalsinh Solanki	Member, Non-Executive Independent Director	1	1	100%
3.	Mr. Saureen Bharatkumar Patel	Member, Non-Executive Independent Director	1	1	100%
4.	Mr. Kalpit Manish Bhai Dave	Member, Non-Executive Independent Director	2	2	100%

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 twice during the year 2023-24 as on 30/08/2023 and 06/01/2024.

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Constituted a Stakeholders Relationship Committee pursuant to the provisions 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:

The Committee was further reconstituted with effect from October 01, 2023

Sr. no	Name of the Director	Category/Nature of Directorship	Number of meetings held		Percentage of Attendance
			Held	Attended	
1.	Mr. Kalpit Manish Bhai Dave	Chairman, Non-Executive Independent Director	2	2	N.A.
2.	Ms. Bhaminiben Baldevprasad Mehta	Member, Non-Executive Independent Director	2	2	N.A.
3.	Ms. Dhvani Jaspalsinh Solanki	Member, Non-Executive Independent Director	1	1	N.A.
4.	Mr. Saureen Bharatkumar Patel	Member, Non-Executive Independent Director	1	1	N.A.



## DIRECTORS' REPORT

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 twice during the year 2023-24 as on 30/05/2023 and 17/02/2024.

#### 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 2022-23, the Company has done CSR expenditure of Rs. 10,20,000 (Rupees Ten Lakhs Twenty Thousand Only).

**However, Section 135 of the Companies Act, 2013 is not applicable to the company for the Financial Year 2023-24, But the Board has Constituted a Corporate Social Responsibility ("CSR") Committee to monitor the Corporate Social Responsibility policy of the Company.**

The Corporate Social Responsibility Committee comprises the following:

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Kalpit Manish Bhai Dave	Independent Director	Chairman	1	1
Ms. Dhvani Jaspalsinh Solanki	Independent Director	Chairperson	1	1
Mr. Saureen Bharatkumar Patel	Independent Director	Member	N.A.	N.A.
Ms. Bhaminiben Baldevprasad Mehta	Director	Member	1	1

CSR meetings was held once during the year 2023-24 on 08/11/2023.

#### 2. 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. (Up to the 13<sup>th</sup> December, 2023) and as on 06<sup>th</sup> January, 2024 Miss. Himali Maheshbhai Thakkar is appointed as Company Secretary & Compliance officer of the Company

#### 3. 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

**Annual Report 2023-24**

## DIRECTORS' REPORT

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.

#### **4. 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.

#### **5. 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.

#### **6. AUDITORS**

##### **1. Statutory Auditor:**

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.

As such M/s. Ankit Chokshi & Co., Chartered Accountants [FRN-121722W] Ahmedabad has been resigned from his duties as on 02<sup>nd</sup> September, 2024 and M/S. B J Patel & J L Shah Chartered Accountants [FRN: 104148W] appointed w.e.f 03<sup>rd</sup> September, 2024 with the approval of Board of Directors and Subject to the Approval of Members at the ensuing 23<sup>rd</sup> Annual General Meeting to be held on 26<sup>th</sup> September, 2024 at a remuneration mutually agreed between the Board and Auditor of company.

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 Auditor:**

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

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## DIRECTORS' REPORT

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 Auditor:

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 2023-24 is enclosed to this report as "**Annexure – B**". The report is self-explanatory.

### 4. Internal Auditor:

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.

## 7. 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 - A**". 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.

## 8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

<p><b>A. CONSERVATION OF ENERGY:</b></p>	<p>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.</p>
<p><b>B. TECHNOLOGY ABSORPTION:</b></p> <ul style="list-style-type: none"> <li>i. The efforts made towards technology absorption: None</li> <li>ii. The benefits derived like product improvement, cost reduction, product development or import substitution: None</li> <li>iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): None <ul style="list-style-type: none"> <li>a) The details of technology imported: N.A.</li> <li>b) The year of import: N.A.</li> <li>c) Whether the technology been fully absorbed: N.A.</li> <li>d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.</li> </ul> </li> </ul> <p>The expenditure incurred on Research and Development: Nil</p>	

**DIRECTORS' REPORT****(2) 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

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All contracts/arrangements/transactions entered by the Company during the FY 2023-24 with related parties were in compliance with applicable provisions of the Act and on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel, or other designated persons which may have potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transaction Policy for the purpose of identification and monitoring of such transaction. The Related Party Transaction policy is placed on the Company's website [www.rachanainfra.com](http://www.rachanainfra.com) Particulars of Contracts or arrangements with Related Parties referred to in section 188 (1) of the Act, are disclosed in **Form AOC-2 as Annexure - D** to this Report.

**10. 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.

**11. 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.

**12. 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, 2024, 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.

**13. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

Your Company has always believed in providing a safe and harassment free workplace for every women employee working with your Company. Your Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

## DIRECTORS' REPORT

Your Company has a zero tolerance for sexual harassment at workplace and, therefore, has in place a policy on prevention of sexual harassment at workplace. The said policy is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

There was no complaint outstanding/ received from any employee during the financial year 2023- 24 and hence, no complaint is pending as on March 31, 2024 for redressal.

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.

### 14. 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 behaviour, 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/>

### 15. 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.

### 16. 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.

### 17. 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.

### 18. 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.

### 19. INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on March 31, 2024 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.

## DIRECTORS' REPORT

### 20. SECRETARIAL STANDARDS

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

### 21. THE DETAILS APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the financial year ended on March 31, 2024, there is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company.

### 22. 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.

### 23. REPORT ON FRAUDS

There were no frauds reported during the year.

### 24. 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: 03/09/2024  
Place: Ahmedabad**

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

## ANNEXURE-A TO THIS DIRECTORS' REPORT

### ANNEXURE-"A"

**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:**

*Statement of Particulars as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

1. The Ratio of the remuneration of each Director and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year ended March 31, 2024:

Sr.no	Director/KMP	Designation	Remuneration	Ratio to median remuneration employees
1	Mr. Girishbhai Raval	Managing Director	45,00,000	13:1
2	Ms. Ishita Raval	CFO	12,00,000	4:1
3	Mr. Smit Shah	CS	4,95,000	Not Applicable
4	Miss. Himali Thakkar	CS	1,65,000	Not Applicable

*\*During the Year Mr. Smit D. Shah has resigned from the Post of Company Secretary & Compliance officer of the Company from December 13, 2023) and The Board of Directors have appointed Miss. Himali Thakkar as a Company Secretary & Compliance officer of the Company w.e.f 06<sup>th</sup> January, 2024)*

**2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended March 31, 2024:**

Sr. No.	Requirements	Disclosure
I.	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	NIL
II.	The percentage increase in the median remuneration of employees in the financial year	10% to 15%
III.	The number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2024	147 Employees
IV.	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
V.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed

The other directors are Non-Executive Directors and they are not receiving remuneration and sitting fees during the financial year ended March 31, 2024.

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

Sd/-

**Girishkumar Ochchhavlal Raval  
Chairman & Managing Director  
DIN: 01646747**

**Date: 03/09/2024  
Place: Ahmedabad**

Annual Report 2023-24

**ANNEXURE-B TO THIS DIRECTORS' REPORT****Form MR-3****SECRETARIAL AUDIT REPORT****For the financial year ended March 31, 2024****[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, 6<sup>th</sup> 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, 2024("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, 2024 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;



## ANNEXURE-B TO THIS DIRECTORS' REPORT

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021(Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (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, 2021(Not applicable to the Company during the audit period);and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(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.

## ANNEXURE-B TO THIS DIRECTORS' REPORT

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.

**I further report that** during the audit period, the following are the events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards taken place:

- The company has varied its Object of the Issue as stated in the IPO Prospectus dated May 09<sup>th</sup>, 2022 and got the permission from the shareholders in the Annual General Meeting held on 25th September, 2023 for utilization of the excess fund available for Public Issue Expenses into General Corporate Purpose requirement of the Company.
- The Company has generally complied the provision of Section 73 in Companies Act, 2013, however company has accepted Security deposits from Om Education Trust during the year;
- The Company has pursuant to Section 186 of the Companies Act, 2013, given an unsecured advance of Rs.950 Lakhs to an Individual pursuant to MOU dated 15.06.2022 for carrying out business of acquisition of land and construction and development of commercial and residential properties.

**For, Mukesh H. Shah & Co.  
Company Secretaries**

**Place: Ahmedabad**

**UDIN NO: F005827F001103132**

**Date: 02.09.2024**

**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-B TO THIS DIRECTORS' REPORT

### Annexure to the Secretarial Audit Report

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

My secretarial audit report for the financial year 31<sup>st</sup> March, 2024 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: F005827F001103132**  
**Date: 02.09.2024**

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

## ANNEXURE-C TO THIS DIRECTORS' REPORT

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

#### **GLOBAL ECONOMIC OVERVIEW AND OUTLOOK**

Global growth is forecast to slow from the 2.7% 2023 pace to 2.5% in 2024 and rebound to 2.7% in 2025. Inflation is expected to continue to cool, although in many countries the price pressure will take longer to unwind than it took to emerge.

slower expected glide path on rate cuts by the U.S. Federal Reserve, which plays an outsized role in global financial markets, will have a larger impact on rate decisions by developing economies. These markets are more sensitive to the exchange rate movements than we have seen in the past. Weakening currencies relative to the U.S. dollar are inflationary for those economies. To further complicate matters, foreign exchange markets have been reacting to unexpected election outcomes.

Between interest rate uncertainty and the elections, business leaders remain hesitant to engage in major investment projects. Consumers are cutting back on financed goods due to elevated rates, while governments face higher financing costs as debt rolls over at higher interest rates.

#### **INDIAN ECONOMIC OVERVIEW**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 295.36 lakh crores (US\$ 3.54 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-June 2025, India's exports stood at US\$ 109.11 billion, with Engineering Goods (25.35%), Petroleum Products (18.33%) and electronic goods (7.73%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

#### **INDUSTRY OVERVIEW**

##### **India's infrastructure sector**

The infrastructure sector, being a key driver and backbone of the Indian economy, is prioritised by the Government through huge capex investments and other initiatives. The infrastructure industry acts as a catalyst and facilitates the development of related industries such as townships, housing, urban infrastructure and development projects as well.

## ANNEXURE-C TO THIS DIRECTORS' REPORT

The Government, recognising the potential of this sector, has provided an enhanced impetus to it by rolling out several initiatives, including the National Infrastructure Pipeline (NIP), the Public-Private Partnership (PPP) model, the Production-Linked (PLI) initiatives and the Make in India scheme.

In the past, over 80% of the funds allocated for infrastructure in India were typically directed towards transportation, electricity, water and irrigation. While these sectors are still significant and receive considerable government attention, other areas are now gaining prominence due to changes in India's environment and demographics

### ROADS AND HIGHWAYS

India has the world's second-largest road network with a total length of 6.33 million kilometres. This comprises National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads as under:

#### Road infrastructure

National Highways:	1,44,955 km
State Highways :	1,67,079 km
Other Roads :	60,19,757 km

**Total 63,31,791 km**

Road transport plays a key role in promoting equal socioeconomic development across regions of the country, apart from facilitating the movement of goods and people. It has gradually increased over the years with improvements in connectivity between cities, towns and villages across the country.<sup>7</sup> The market for roads and highways in India is expected to grow at a CAGR of 36.16% between 2016 and 2025, owing to favourable government programmes to upgrade the country's transportation infrastructure.

### GOVERNMENT POLICIES

The Government has been implementing several initiatives for the development of road infrastructure and transformed the landscape from commuting perspective. Some of the key initiatives are:

BharatMala Pari yojana, which was announced in 2017, intends to construct around 65,000 kilometres of national and economic corridors, border and coastal roads and motorways to enhance the efficiency of existing highway infrastructure.

The programme is expected to offer 4-lane connections to 550 districts, create 50 economic corridors totalling around 26,000 kilometres, boost vehicular speed by 20-25%, reduce supply chain costs by 5-6% and strengthen the NH network to transport 70-80% of total road traffic.

In addition to this, the NHAI intends to build 25,000 kilometres of national highways in 2022-23 averaging at a rate of 50 kilometres per day and has raised H 2850 crore through InvIT mode of which H 3900 crore is in the year 2022-23.

In addition to this, to build world-class infrastructure, the Government has announced that the National Infrastructure Pipeline (NIP) will receive an investment of USD 275 billion in roads from 2019 to 2025.

**Gati Shakti scheme** launched on October 13, 2021, is a digital platform that will bring 16 ministries, including railways and roadways, together for integrated planning and coordinated implementation of infrastructure connectivity projects for industrial clusters and economic nodes. The Government of India plans to invest nearly USD 1.2 trillion (H 100 lakh crore) in building a holistic infrastructure through Gati Shakti.<sup>13</sup>

## ANNEXURE-C TO THIS DIRECTORS' REPORT

**The National Highways Interconnectivity Improvement Project** is aimed at enhancing the highway infrastructure in the North-Eastern region of India. The project involves the development of two critical corridors - the East-West Corridor, which spans approximately 3,442 kilometres from Porbandar in Gujarat to Silchar in Assam and the North-South Corridor, which stretches for around 4000 kilometres from Srinagar in Jammu and Kashmir to Kanyakumari in Tamil Nadu.

**Key policy measures to encourage private participation:** The Government decided to leverage private sector expertise and resources to deliver projects more efficiently, effectively and at a lower cost than traditional procurement methods.

The private sector brings its expertise in project management, financing and technology, while the Government provides regulatory oversight, public policy direction and often some form of financial support. This has gained popularity in recent years as the Government seeks to provide essential infrastructure and services to its citizens without relying solely on public funds.

**Public-Private Partnership (PPP) model:** This is a model of infrastructure development and service delivery that involves collaboration between the public and private sectors. Under the PPP model, the Government partners with private companies to finance, design, build, operate and maintain infrastructure projects such as highways, airports and power plants. The private sector brings in capital, technical expertise, and efficiency in operations, while the Government offers assistance through policies, regulatory frameworks and funding. The objective of PPP is to leverage the strengths of both sectors to deliver better-quality and more cost-effective public services.

**Fast-tracking of project approvals:** The Government has streamlined the project approval process for infrastructure projects to make it easier for private companies to invest in such projects. This includes setting up a single-window clearance system and reducing the number of approvals required.

**Logistics infrastructure:** In recent years, India's logistics infrastructure has attracted considerable attention and investment as it remains inadequate to meet the country's growth aspirations. If improvements are not made in a timely manner the waste produced by inadequate logistical infrastructure is expected to increase.

The waste produced by inadequate logistical infrastructure is expected to increase. However, if addressed in an integrated and coordinated manner, almost half of this waste can be eliminated. Also, this will help lower India's transportation fuel requirements by 15 to 20%

To address these challenges, an integrated approach is required, focusing on the development of rail and waterway networks, alongside roads. The Government has undertaken several initiatives, such as the Dedicated Freight Corridors (DFCs) and the BharatMala project, aimed at improving connectivity and reducing transportation costs. These projects involve the construction of new highways, expressways and rail corridors, providing efficient transportation links between major industrial and consumption centres

### OPPORTUNITIES:

**Government Infrastructure Projects:** The Indian government has announced several infrastructure projects, including the BharatMala Pari yojana, the Sagar mala project and the National Highways Development Project. These projects will require significant investments in infrastructure and these opportunities need to be capitalised on by winning contracts for construction, operation and maintenance.

**Increased Private Sector Participation:** The Indian Government has been actively encouraging private sector participation in the infrastructure industry through various policy measures. This has led to an increase in private investments in areas such as infra development of roads, ports, airports and increased focus on renewable energy.

**Infrastructure Development in Tier-II and Tier-III Cities:** The Indian Government is focusing on developing infrastructure in smaller cities and towns, which presents

## ANNEXURE-C TO THIS DIRECTORS' REPORT

significant opportunities for investors and businesses.

This includes investments in areas such as affordable housing, access to clean water, sanitation and healthcare.

**Increased Investment in Digital Infrastructure:** The Indian government has launched several initiatives to promote the development of digital infrastructure, including the Digital India programme. This has led to a surge in investment in areas such as broadband connectivity, data centres and e-commerce.

**Emerging Markets:** With the growth of the Indian economy, there is a rising demand for infrastructure development in smaller towns and cities. This can be leveraged by expanding of operations to emerging markets and offering its services in these regions.

**Focus on new models of operations:** Hybrid Annuity Mode (HAM), Toll Operate and Transfer and Operate Maintain and Transfer, Engineering, Procurement and Construction (EPC) are some of the new models gaining prominence. The Engineering, Procurement and Construction (EPC) model is becoming increasingly popular in the construction industry due to its efficiency and cost-effectiveness. The Company has already secured several EPC contracts and this trend is expected to continue, providing significant opportunities for growth. The Company has also secured few HAMS and BOT model-based projects which gives future growth opportunities to the Company.

**Embracing technology:** With technological advancements, the construction industry is rapidly changing and companies that embrace technology can gain an early mover advantage. The Company implements advanced digital solutions and leverages cutting-edge tools to enhance project management, improve operational efficiency and drive innovation in infrastructure development. The Company also incorporates the latest technologies such as Artificial Intelligence (AI), Internet of things (IoT) and data analytics to optimise construction processes, enhance safety measures and deliver sustainable and futuristic infrastructure solutions.

**Sustainability:** There is a growing preference for sustainable infrastructure and companies that adopt environment-friendly practices can gain a competitive advantage. The Company can profit from this trend by incorporating sustainable practices into its operations, such as using renewable energy sources, reducing waste and improving energy efficiency.

### CHALLENGES

#### **Project complexity and risk Management:**

Infrastructure projects are often extensive and complex, involving multiple stakeholders, intricate logistics and various risks. Effective project management, risk assessment and mitigation strategies are critical to ensuring successful and timely project execution. Urbanisation and population growth Rapid urbanisation and growing population place further strain existing infrastructure systems. Meeting the demand for transportation, housing, utilities, and other critical services necessitates careful planning and resource allocation.

#### **Political and policy uncertainty:**

Changes in government policies, regulations and political scenarios can impact infrastructure projects. Political stability and favourable long-term policies are crucial for attracting investments and ensuring project continuity.

#### **Funding and investments:**

It is challenging to secure adequate financing for infrastructure projects. Infrastructure development is often impeded by limited public funds, overlapping priorities and difficulties in attracting private investment. Regulatory and approval processes Infrastructure projects often face complex regulatory frameworks and lengthy approval processes. Navigating through various approvals and complying with environmental and land acquisition regulations can cause delays and raise project costs.

## ANNEXURE-C TO THIS DIRECTORS' REPORT

### **Sustainability and climate change:**

Building infrastructure that is resilient to climate change and environment-friendly is a growing concern. The industry must address challenges pertaining to reducing carbon emissions, adapting to extreme weather events and implementing sustainable construction practices.

### **Stakeholder Engagement:**

Infrastructure projects involve numerous stakeholders, including communities, local authorities, environmental groups and businesses. Balancing diverse interests, addressing concerns and maintaining effective communication throughout the project lifecycle is a major challenge.

### **Outlook**

India has to focus on enhancing its infrastructure to reach its year 2025 economic growth target of USD 5 trillion. To this end, the Government has set a target to invest USD 1.8 trillion in infrastructure over the next five years. The Indian government also intends to modernise the country's infrastructure network while creating numerous job opportunities. In the years ahead, the government is expected to focus more on transportation infrastructure. The Government plans include building new highways, railways and airports as well as modernising existing ones. The Government is investing heavily in the development of metro rail systems in major cities, with plans to have metro rail systems in 25 cities by 2025.<sup>37</sup> This is expected to enhance transportation efficiency and reduce traffic congestion. Another focus area is energy infrastructure, with the Government striving to increase the generation of renewable energy. This includes investments in solar, wind, hydroelectric and nuclear power.

The Government is also investing in the development of water and sanitation infrastructure, digital infrastructure and affordable housing.

### **COMPANY OVERVIEW:**

Your Company is an Indian Infrastructure Company that has been contributing to the Development of the nation's Infrastructure for over two decades. Your company is mid-size private sector company engaged in the business of Construction of Road projects on Bill of Quantities (BOQ) and on 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 This Year we are making more than 110 Lane Length Kilometer Roads. 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.



## ANNEXURE-C TO THIS DIRECTORS' REPORT

### 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
		2023-24	2022-23	
1.	<b>Debtors Turnover Ratio</b> <b>Formula:</b> Debtors Turnover Ratio= 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.	3.66 Times	3.68 Times	(0.042)
2.	<b>Inventory Turnover Ratio</b> <b>Formula:</b> Inventory Turnover= Cost of Goods Sold / Average Inventory <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.	7.21 Times	6.57 Times	(0.0974)
3.	<b>Interest Coverage Ratio</b> <b>Formula:</b> Interest Coverage Ratio= Interest Expense/EBIT <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.	0.0960 Times	0.0836 Times	0.15

## ANNEXURE-C TO THIS DIRECTORS' REPORT

<b>4.</b>	<b>Current Ratio</b> <b>Formula:</b> Current Ratio=Current assets/ Current liability <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.	3.70 Times	4.66 Times	(0.2048)
<b>5.</b>	<b>Debt Equity Ratio</b> <b>Formula:</b> Debt Equity Ratio = non-current borrowings (+) current borrowings (-) cash and cash equivalent /Total Equity <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.	0.24 Times	0.28 Times	0.6282
<b>6.</b>	<b>Operating Profit Margin Ratio Formula:</b> Operating profit margin = *Operating income/ Total revenue *Operating Income excluding Exceptional Item Operating profit margin = **Operating income/ Total revenue **Operating Income including Exceptional Item <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.	0.048 Times	0.047 Times	0.001
<b>7.</b>	<b>Net Profit Margin Ratio</b> <b>Formula:</b> Net Profit Margin= Net Profit/ Sales <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.	0.040 Times	0.036 Times	(0.1138)
<b>8.</b>	<b>Return on Net Worth Ratio</b> <b>Formula:</b> Net Income/Shareholder's Equity <b>Definition:</b> The return on Net Worth is a measure of the profitability of a business in relation to the equity.	<b>0.0960</b> <b>Times</b>	<b>0.0836</b> <b>Times</b>	0.1482

### FINANCIAL AND OPERATIONAL PERFORMANCE

Particulars for the year ended	March 31, 2024	March 31,2023
<b>Net revenue from Operations (Sales)</b>	<b>9396.95</b>	<b>6522.90</b>
Profit Before Depreciation, Exceptional Item and Tax	699.72	490.40
Less: Depreciation	245.58	186.46
<b>Profit Before Extra-Ordinary Items and Tax</b>	<b>454.14</b>	<b>303.94</b>
Extra Ordinary Items	0.00	0.00
<b>Profit Before Tax</b>	<b>454.14</b>	<b>303.94</b>
Tax Expense		
-Current Tax	110	75.00
Less: MAT Credit Receivable	0.00	0.00
-Deferred Tax	(18.72)	2.73
<b>Profit After Tax</b>	<b>362.85</b>	<b>226.21</b>
EPS (Basic) (In Rs.)	1.95	1.22
EPS (Diluted) (In Rs.)	1.95	1.25

## ANNEXURE-C TO THIS DIRECTORS' REPORT

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

There were 148 employees on roll in the Company as on 31st March 2024. Company maintained Relations with the employees were cordial throughout the year. Your 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.

### 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.

**Date: 03/09/2024**  
**Place: Ahmedabad**

**By Order of the Board of Directors**  
**For, RACHANA INFRASTRUCTURE LIMITED**  
**Sd/-**  
**Girishkumar Ochchhavlal Raval**  
**Chairman & Managing Director**  
**DIN: 01646747**

## ANNEXURE-D TO THIS DIRECTORS' REPORT

### Annexure- "D"

FORM NO. AOC-2

(Amount in Lakhs)

A. Details of contracts or arrangements or transactions not at arm's length basis	
(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-

(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 31/03/2024:**

### 2. Details of contracts or Arrangements or transactions at Arm's length Basis (Amt in Lakhs)

Name of Related Party	Nature of relationship	Nature of Contracts/ Arrangements/ transactions	Proposed/ Amount of Transaction	Salient terms & Conditions	Date of Approval of the Board, if any	Amount paid as advance d, if any	Amount of Transacti ons

As per mentioned in Independent Auditor's Report Note No.25 (A) Statement of Significant Policies point No.16: Related Party Disclosure (AS-18) of Companies (Accounting Standards) Rules, 2006.

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

Sd/-

Girishkumar Ochchhavlal Raval  
Chairman & Managing Director  
DIN: 01646747

Date: 03/09/2024  
Place: Ahmedabad

## Independent Auditor's Report

### Independent Auditor's 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, 2024, the Statement of Profit and Loss, the Cash Flow Statement and notes to the financial statements for the year ended on March 31, 2024, 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, 2024, 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 previous accounting 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.

## Independent Auditor's Report

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

## Independent Auditor's Report

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

## Independent Auditor's Report

### 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. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with throughout the year.
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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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.



## Independent Auditor's Report

- 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, 2024.
- (a) The Management has represented that, to the best of its 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 its 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: 30.05.2024**

**(Ankit Chokshi)  
(M. No: 110303)  
Partner  
(UDIN:24110303BKAAUE9185)**

## ANNEXURE – “A” TO THE AUDITORS’ REPORT

### **ANNEXURE – “A” TO THE AUDITORS’ REPORT**

**(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Rachana Infrastructure Limited on the financial statements for the year ended on 31<sup>st</sup> March 2024.**

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, 2024 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

## ANNEXURE – “A” TO THE AUDITORS’ REPORT

		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 listed in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of Clauses 3(iii) (a),(b),(c),(d),(e) and (f) of the order are not applicable.																								
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 from the public within the meaning of the directives issued by the Reserve Bank of India, provision of Section 73 to 76 of the Act, any other relevant provision of the Act and the relevant rules framed thereunder.</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. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate of complete.																								
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, 2024 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. (Amount in Lakhs)																								
		<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>M.P. Commercial Tax</td> <td>Commercial Tax</td> <td>Appellate authority</td> <td>2017-18</td> <td>26.02</td> <td>6.51</td> </tr> <tr> <td>GST</td> <td>GST</td> <td>DGGI</td> <td>2019-20 2020-21</td> <td>383.08</td> <td>208.00</td> </tr> <tr> <td>Service Tax</td> <td>Service Tax</td> <td>CESTAT Ahmedabad</td> <td>2016-17</td> <td>17.373</td> <td>1.75</td> </tr> </tbody> </table>	Name of the Statute	Nature of Dues	From where dispute is pending	Financial Year	Amount	Amount paid under protest	M.P. Commercial Tax	Commercial Tax	Appellate authority	2017-18	26.02	6.51	GST	GST	DGGI	2019-20 2020-21	383.08	208.00	Service Tax	Service Tax	CESTAT Ahmedabad	2016-17	17.373	1.75
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Service Tax	Service Tax	CESTAT Ahmedabad	2016-17	17.373	1.75																					

## ANNEXURE – “A” TO THE AUDITORS’ REPORT

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.
	<b>(d)</b>	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.	<b>(a)</b>	During the year, the Company has not raised money by way of initial public offer / further public offer through debt instruments.
	<b>(b)</b>	During the year the Company has not made any preferential allotment or private placement of shares or debentures (fully or partly or optionally convertible) 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 up to 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.

## ANNEXURE – “A” TO THE AUDITORS’ REPORT

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.
xx.	Provisions of sub-section (6) of Section 135 of the Companies Act 2013 is not applicable to the company 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 : 30/05/2024	For, Ankit Chokshi & Co., (F.R. No: 121722W) (Chartered Accountants)  CA Ankit Chokshi (M. No: 110303) Partner UDIN: 2411030BKAAUE9185

**ANNEXURE – “B” TO THE AUDITORS’ REPORT**

**ANNEXURE “B” referred to in paragraph 3(f) of THE INDEPENDENT AUDITOR’S REPORT of even date to the members of Rachana Infrastructure Limited on the financial statements for the year ended on 31<sup>st</sup> March 2024.**

**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”)**

We have audited the internal financial controls over financial reporting of **Rachana Infrastructure Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

**Auditor’s Responsibility**

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.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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

**ANNEXURE – “B” TO THE AUDITORS’ REPORT**

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, 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, 2024, 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.

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

**Place: Ahmedabad  
Date: 30.05.2024**

**(Ankit Chokshi)  
(M. No: 110303)  
Partner  
(UDIN:24110303BKAAUE9185)**

Balance sheet as at 31.03.2024			(In Rs. Lakhs)	
	Particulars	Notes	As at 31st March 2024	As at 31st March 2023
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	1	1860.50	1860.50
	(b) Reserves and Surplus	2	7520.16	7163.42
	(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	3	1031.20	1093.21
	(b) Deferred tax liabilities (Net)	-	-	-
	(c) Other Long term liabilities	-	-	-
	(d) Long term provisions	4	82.79	62.02
<b>(4)</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowings	5	511.03	644.47
	(b) Trade payables			
	(A) total outstanding dues of MSME;	6	-	-
	(B) total outstanding dues of creditors other than MSME;		1359.87	468.35
	(c) Other current liabilities	7	149.80	117.15
	(d) Short-term provisions	8	130.13	89.76
	<b>Total</b>		<b>12645.48</b>	<b>11498.90</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	9	1193.83	973.33
	(ii) Intangible assets		.47	.64
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(d) Non-current investments	10	1748.92	1766.72
	(c) Deferred tax assets (net)		188.95	170.23
	(d) Long term loans and advances	11	950.00	950.00
	(e) Other Non-current assets	12	599.27	883.68
<b>(2)</b>	<b>Current assets</b>			
	(a) Current investments	-	-	-
	(b) Inventories	13	388.63	393.30
	(c) Trade receivables	14	2560.99	2192.25
	(d) Cash and cash equivalents	15	492.64	158.08
	(e) Short-term loans and advances	16	-	316.28
	(f) Other current assets	17	4521.77	3694.37
	<b>Total</b>		<b>12645.48</b>	<b>11498.90</b>
	Notes to Accounts	25		

As per our report of even date,  
Ankit Chokshi & Co.  
F.R.No. 121722W

SD/-  
(Chartered Accountants)

CA. Ankit Chokshi

(M.No. 110303)  
Partner  
UDIN: 24110303BKAAUE9185  
Date: 30.05.2024  
Place: Ahmedabad

For and on behalf of the board,

Bhaminiben Mehta  
SD/-  
Director  
DIN: 01646822

Girishbhai Raval  
SD/-  
M.D.  
DIN: 01646747

Ishita Raval  
SD/-  
CFO

Himali M. Thakkar  
SD/-  
CS



## PROFIT AND LOSS ACCOUNT

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2024		(In Rs. Lakhs)	
Particulars	Notes	Year Ended	
		31-03-2024	31-03-2023
I. Revenue from Operations	<u>18</u>	9147.59	6351.67
II. Other Income	<u>19</u>	249.37	171.22
<b>III. Total Revenue</b>	(I + II)	<b>9396.95</b>	<b>6522.90</b>
Direct Expenditure	<u>20</u>	6437.67	2746.11
Purchase of Stock-in-Trade		777.65	1743.81
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	<u>21</u>	4.67	50.14
Employee Benefit Expense	<u>22</u>	578.69	537.81
Financial Costs	<u>23</u>	259.48	283.29
Depreciation and Amortization Expense	<u>9</u>	245.58	186.46
Other Expenses	<u>24</u>	639.06	671.34
<b>IV. Total Expenses</b>		<b>8942.82</b>	<b>6218.95</b>
<b>V. Profit Before Exceptional and Extraordinary Items and Tax</b>	(III-IV)	454.14	303.94
<b>VI. Exceptional Items</b>			-
<b>VII. Profit Before Extraordinary Items and Tax</b>	(V-VI)	454.14	303.94
<b>VIII. Extraordinary Items</b>			-
<b>IX. Profit Before Tax (VII - VIII)</b>		<b>454.14</b>	<b>303.94</b>
<b>X. Tax Expense:</b>			
(1) Current Tax		110.00	75.00
(2) Deferred Tax		-18.72	2.73
<b>XI. Profit(Loss) From the Period From Continuing Operations</b>		<b>362.85</b>	<b>226.21</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>362.85</b>	<b>226.21</b>
<b>XVI. Earning Per Equity Share:(In Rs.)</b>			
(1) Basic		1.95	1.22
(2) Diluted		1.95	1.25

As per our report of even date,  
**Ankit Chokshi & Co.**

F.R.No. 121722W

**SD/-**

(Chartered Accountants)

CA. Ankit Chokshi  
(M.No. 110303)  
Partner  
UDIN: 24110303BKAAUE9185

Date:30.05.2024  
Place: Ahmedabad

For and on behalf of the board,

Bhaminiben Mehta  
**SD/-**  
Director  
DIN: 01646822

Ishita Raval  
**SD/-**  
CFO

Girishbhai Raval  
**SD/-**  
M.D.  
DIN:01646747

Himali M. Thakkar  
**SD/-**  
CS

## CASH FLOW STATEMENT

<b>Cash Flow Statement</b>	<b>(In Rs. Lakhs)</b>	
<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
<b>Cash flows from Operating Activities</b>		
Net Profit/(loss) before Taxation and extraordinary items	454.14	303.94
Add:- Depreciation on Property Plant & Equipments	231.83	172.14
Add: Depreciation on Investment Property	19.87	20.70
Add: Remeasurement of Gratuity liability	13.76	-1.38
Add: (Profit) / Loss on sale of Fixed Assets	-21.69	-9.04
Add: Bad Debts	16.56	32.95
Add: Finance Cost	259.48	283.29
Less: Interest received	-71.92	-
Add: Previous Year Income Tax Adjustment	11.68	17.06
Less: Other Adjustments	-2.26	-46.51
<b>Operating Profit before working capital changes</b>	<b>911.45</b>	<b>773.16</b>
<b>Adjustments for:</b>		
Increase/(Decrease) (+/-) in Trade Payables	891.52	-996.32
Increase/(Decrease)(+/-) in Other Current Liabilities	32.65	-263.38
Increase/(Decrease) (+/-) in Short Term Provisions	-4.19	-2.87
Increase/(Decrease) (+/-) in Long Term Provisions	.00	-5.69
Decrease/(Increase) (-/+) in Inventories	4.67	50.14
Decrease/(Increase) (-/+) in Trade Receivables	-368.73	-441.36
Decrease/(Increase) (-/+) in Short Term Loans & Adv.	316.28	-249.69
Decrease/(Increase) (-/+) in Other Current Assets	-827.40	-479.29
Decrease/(Increase) (-/+) in Other Non-Current Assets	284.41	891.02
Income Tax Paid	-94.67	-62.50
<b>Net Utilization of funds in Operating Activities</b>	<b>1145.98</b>	<b>-786.78</b>
<b>Cash Flows from Investing Activities</b>		
Increase/(Decrease) (-/+) in Long Term Loans & Advances	-	-950.00
(Increase)/Decrease (-/+) in investment property	2.07	2.80
(Increase)/Decrease (-/+) in PPE	-430.47	-59.41
Interest received	71.92	-
<b>Net Utilization of funds in Investing Activities</b>	<b>-356.48</b>	<b>-1006.61</b>
<b>Cash Flow from Financing Activity</b>		
Finance Cost	-259.48	-283.29
Increase/(Decrease) (+/-) in short term borrowings	-133.44	-603.48
Increase/(Decrease) (+/-) in long term borrowings	-62.01	-1072.78
Increase in Share Capital	-	282.50
Increase in Securities Premium	-	3531.25
<b>Net Cash Flow from Financing Activities</b>	<b>-454.94</b>	<b>1854.21</b>
Cash Surplus (+) / Shortfall (-) arose during the year	334.56	60.82
Cash and Cash Equivalents at the beginning of the year	158.08	97.27
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>492.64</b>	<b>158.08</b>

As per our report of even date,

**Ankit Chokshi & Co.**

F.R.No. 121722W

**SD/-**

(Chartered Accountants)

CA. Ankit Chokshi  
(M.No. 110303)

Partner

UDIN: 24110303BKAAUE9185

Date:30.05.2024

Place: Ahmedabad

For and on behalf of the board,

Bhaminiben Mehta

**SD/-**

Director

DIN: 01646822

Ishita Raval

**SD/-**

CFO

Girishbhai Raval

**SD/-**

M.D.

DIN:01646747

Himali M. Thakkar

**SD/-**

CS

## NOTES TO FINANCIAL STATEMENTS

### Notes to Balance Sheet

Note - 1 : Share Capital	(In Rs. Lakhs)		
	Particulars	As at 31.03.2024	As at 31.03.2023
<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		2250.00
Add: Increase in Authorised Share Capital during the year	-		-
<b>Total Authorised Share Capital</b>	<b>2250.00</b>		<b>2250.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Capital :</b>			
1,86,05,000 Equity shares of Rs.10/- each (P.Y. 1,57,80,000 Equity Shares)	1860.50		1578.00
Add: Increase in Issued, Subscribed & Paid Up Capital during the year: (P.Y. 28,25,000 Equity Shares of Rs. 10/- each)	-		-
	-		282.50
<b>Total Issued, Subscribed &amp; Paid-Up Capital</b>	<b>1860.50</b>		<b>1860.50</b>
<b>Reconciliation of Equity Share Capital</b>			
Equity Shares outstanding at the beginning of the year	1,86,05,000		1,57,80,000
Add: Shares issued during the year	-		28,25,000
Add: Bonus issue of equity shares	-		-
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>1,86,05,000</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>
Girishbhai Raval	56,86,981	30.57%	58,07,981
Bhaminiben Mehta	15,31,800	8.23%	15,31,800
Brijesh Raval	14,94,400	8.03%	14,94,400
Jaydeep Raval	14,91,360	8.02%	14,91,360
<b>Shareholding of Promoters &amp; Promoter Group</b>			
Shares held by promoters at the end of the year	-		-
Sr No. Promoter Name	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>
1. Raval Girish Ochchavlal	56,86,981	30.57%	58,07,981
2. Ishita Prakash Kumar Raval	3,73,590	2.01%	3,73,590
3. Bhaminiben Baldevprasad Mehta	15,31,800	8.23%	15,31,800
4. Ashok Kumar Ochchavlal Raval	6,85,998	3.69%	6,85,998
5. Brijesh Girishbhai Raval	14,94,400	8.03%	14,94,400
6. Devanshi Jayesh Dave	3,59,400	1.93%	3,59,400
7. Jaydeep Girishbhai Raval	14,91,360	8.02%	14,91,360
8. Bhamini Infrastructures Pvt Ltd	5,40,000	2.90%	5,40,000
<b>Total Shareholding by Promoter &amp; Promoter Group</b>	<b>1,21,63,529</b>	<b>65.38%</b>	<b>1,22,84,529</b>
<b>Rights, Preferences and restrictions attached to equity shares</b>			
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 FINANCIAL STATEMENTS

Note - 2 : Reserves and Surplus	(In Rs. Lakhs)	
	As at 31.03.2024	As at 31.03.2023
<b>Particulars</b>		
<b>(a) Securities Premium</b>		
Opening Balance	3531.25	-
(-) Securities Premium Utilized for Bonus Issue	-	-
(+) Securities Premium received during the year	-	3531.25
<b>Closing Balance</b>	<b>3531.25</b>	<b>3531.25</b>
<b>(b) Revaluation Reserve</b>		
Opening Balance	1073.75	1080.13
(-) Written Back in Current Year	-	-
(-) Accumulated Depreciation on Investment Property	-	-
(-) Depreciation Provided	6.11	6.38
<b>Closing Balance</b>	<b>1067.63</b>	<b>1073.75</b>
<b>(c) General Reserves</b>		
Opening Balance	-	-
(+) Transferred from Surplus	-	-
(-) General Reserves Utilized for Bonus Issue	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>(d) Surplus</b>		
Opening Balance	2558.42	2332.21
(+) Profit for the Year	362.85	226.21
(-) Dividend on Equity Shares	-	-
(-) Accumulated Depreciation on Investment Property	-	-
(-) Transferred to General Reserve	-	-
<b>Closing Balance</b>	<b>2921.28</b>	<b>2558.42</b>
<b>Total Reserves &amp; Surplus</b>	<b>7520.16</b>	<b>7163.42</b>

### Note - 3: Long Term Borrowings

Particulars	As at 31.03.2024	As at 31.03.2023
<u>Long term Borrowings</u>	-	-
Secured Term Loans from Bank	295.56	2.49
Secured-Term loan from Financial Institutions	62.07	191.51
Unsecured Loans from Related Parties	295.79	320.13
<u>Other Non-Current Financial Liabilities</u>		
Deposits from Vendors/Retention Money	177.78	379.08
Mobilization Advances	200.00	200.00
<b>Total</b>	<b>1031.20</b>	<b>1093.21</b>

## NOTES TO FINANCIAL STATEMENTS

<b>Note - 4: Long Term Provisions</b>		<b>(In Rs. Lakhs)</b>	
<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>	
Provision for Employee Benefits (Gratuity)	66.23	62.02	
Provision for Doubtful Debts	16.56	-	
<b>Total</b>	<b>82.79</b>	<b>62.02</b>	
<b>Note - 5: Short Term Borrowings</b>			
<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>	
Secured Short Term Borrowings from Banks			
Cash Credit Facility with Axis Bank (Security: See Note below)	-	-1.69	
Unsecured Loans	-	-	
Other Current Financial Liabilities			
Security Deposits	210.10	.00	
Other Payables	-	-	
Current Maturities of Non-Current Borrowings	300.93	180.13	
Inter Corporate Deposit	.00	466.04	
<b>Total</b>	<b>511.03</b>	<b>644.47</b>	

<b>Note - 6: Trade Payables</b>		<b>(In Rs. Lakhs)</b>	
<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>	
<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	1359.87	468.35	
<b>Total</b>	<b>1359.87</b>	<b>468.35</b>	
<b>Note: Trade payables include retentions of Rs. 141.73 Lakhs (March 31, 2023 Rs. 127.39 Lakhs) related to construction contracts.</b>			
<b>Trade Payable Ageing Schedule</b>			
(i) MSME			
(ii) Others			
Not Due		-	
<1 Year	1245.38	382.03	
1-2 Years	19.95	47.73	
2-3 Years	3.71	10.96	
>3 Years	90.84	27.64	
<b>Total</b>	<b>1359.87</b>	<b>468.35</b>	
(iii) Others (Disputed)			
Total		-	
(iii) Unbilled Dues			
Total		-	

### Note - 7: Other Current Liabilities

<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>	
TDS Payable	45.94	71.63	
Professional Tax	.26	.20	
GST Payable	73.27	.03	
Other Payables	30.32	45.29	
<b>Total</b>	<b>149.80</b>	<b>117.15</b>	

## NOTES TO FINANCIAL STATEMENTS

<b>Note - 8: Short Term Provisions</b>		
<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
Provision for Employee Benefits	-	-
Gratuity Provision	13.76	4.20
<u>Other Provisions</u>	-	-
Provision For Audit Fees	3.30	2.61
Provision for Electricity Expenses	3.07	7.95
Provision for Income Tax	110.00	75.00
<b>Total</b>	<b>130.13</b>	<b>89.76</b>

### Property, Plant and Equipments

(In Rs. Lakhs)

#### Note - 9 : Tangible Assets

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		01-04-2023	Additions	Deductions/Adjustments	31-03-2024	01-04-2023	Dep.	Adj.	31-03-2024	As at 31.03.24	As at 31.03.23
1	Land	367.16	-	-	367.16	-	-	-	-	367.16	367.16
2	Buildings	74.17	-	-	74.17	40.84	3.21	-	44.05	30.12	33.33
3	Plant and Equipments	2801.36	325.22	215.55	2911.03	2306.98	152.98	146.23	2313.73	597.30	494.37
4	Motor Car	151.87	186.99	-	338.86	110.15	65.86	-	176.00	162.86	41.73
5	Computer and Data Processing Units	22.19	1.62	-	23.81	20.89	.59	-	21.48	2.33	1.30
6	Furniture and Fixtures	38.51	2.49	-	40.99	13.80	6.93	-	20.74	20.25	24.70
7	Office Equipments	53.20	5.15	-	58.35	42.47	2.09	-	44.56	13.79	10.74
	<b>Total</b>	<b>3508.47</b>	<b>521.47</b>	<b>215.55</b>	<b>3814.39</b>	<b>2535.13</b>	<b>231.66</b>	<b>146.23</b>	<b>2620.56</b>	<b>1193.83</b>	<b>973.33</b>
	Previous Year	3506.30	78.30	76.14	3508.47	2432.69	171.60	69.17	2535.13	973.33	1073.61

#### Note - 9 : Intangible Assets

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		01-04-2023	Additions	Deductions/Adjustments	31-03-2024	01-04-2023	Dep.	Adj.	31-03-2024	As at 31.03.24	As at 31.03.23
1	NWAY Software	9.17	-	-	9.17	8.53	.17	-	8.70	.47	.64
	<b>Total</b>	<b>9.17</b>	<b>-</b>	<b>-</b>	<b>9.17</b>	<b>8.53</b>	<b>.17</b>	<b>-</b>	<b>8.70</b>	<b>.47</b>	<b>.64</b>
	Previous Year	9.17	-	-	9.17	7.99	.54	-	8.53	.64	1.18

## NOTES TO FINANCIAL STATEMENTS

### Note - 10: Non-Current Investments

(In Rs. Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Investment In Government or Trust Securities</b>		
Sardar Sarovar Narmada Nigam Ltd	33.69	31.62
<b>Investment In Property</b>		
Land	983.80	983.80
Buildings	1171.63	1171.59
Add: Addition during the year	-	.05
Less: Accumulated Depreciation	420.34	399.63
Less: Depreciation for current year	19.87	20.70
Total Buildings	731.43	751.30
<b>Total</b>	<b>1748.92</b>	<b>1766.72</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 31.03.2024	As at 31.03.2023
Deferred tax Asset at the beginning	170.23	172.96
Tax effect of items constituting deferred tax liability	18.72	-2.73
<b>Net Deferred Tax Assets</b>	<b>188.95</b>	<b>170.23</b>

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

Particulars	As at 31.03.2024	As at 31.03.2023
(a) Capital Advances		
(i) Unsecured considered Good	950.00	950.00
<b>Total</b>	<b>950.00</b>	<b>950.00</b>

The board hereby declares that relevant provisions of Foreign 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 31.03.2024	As at 31.03.2023
Margin Money	1.70	1.93
Fixed Deposits against Bank Guarantee	116.05	136.46
Fixed Deposits with Bank (Placed as Security Deposit)	14.26	8.62
Unsecured, considered good:	-	-
Security Deposits/Performance Money/Retention Money	467.25	736.66
<b>Total</b>	<b>599.27</b>	<b>883.68</b>

\*Security Deposits/Performance Money/Retention Money includes Performance deposit of Rs. 322.64 Lakhs (P.Y. 322.64 Lakhs) 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 favourable judgement for recovery of the pending amount.

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

## NOTES TO FINANCIAL STATEMENTS

### Note - 13 : Inventories

(In Rs. Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Stock In Trade</b>		
Stock at Quarry*	388.63	393.30
<b>Total</b>	<b>388.63</b>	<b>393.30</b>

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

### Note - 14 : Trade Receivable

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Trade Receivable</b>	-	-
-Considered Good - Unsecured	2019.53	1650.80
Trade Receivables which have significant increase in Credit Risk	541.45	541.45
Trade Receivables - Credit Impaired	-	-
<b>Total</b>	<b>2560.99</b>	<b>2192.25</b>

Note: Trade receivables include retentions of Rs. 675.14 Lakhs ( March 31, 2023 Rs. 805.15 Lakhs ) related to construction contracts.

\*Trade Receivables - Considered Good - Unsecured includes Retention Money of Rs. 322.64 lakhs 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.

<b>(i) Undisputed Trade Receivables - considered good</b>		
(a) Less than 6 months	1345.55	1583.38
(b) 6 months - 1 year	18.00	56.62
(c) 1-2 Years	35.36	6.34
(d) 2-3 Years	267.03	.43
(e) more than 3 years	353.59	4.02
Total	2019.53	1650.80
<b>(ii) Undisputed Trade Receivables - considered doubtful</b>		
Total		
<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	541.45
Total	541.45	541.45



## NOTES TO FINANCIAL STATEMENTS

<b>(v) Allowance for bad and doubtful debts</b>		
(b) Undisputed Trade Receivables - considered doubtful		
(d) Disputed Trade Receivables - considered doubtful		
(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>Total Trade Receivables</b>	<b>2560.99</b>	<b>2192.25</b>

Trade Receivable includes receivables of Rs. 528.91 from M/s Fernas Construction. The company has filed recovery suit under MSME 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. 12.54 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 31.03.2024	As at 31.03.2023
<b>Balance with Banks</b>		
In Current Accounts (Security : See Note below)	456.70	28.19
FD OD Account	.42	-
<b>Cash on Hand</b>		
Cash on Hand	35.53	18.17
Fixed Deposits with Banks with less than 12 Months maturity	-	111.72
<b>Total</b>	<b>492.64</b>	<b>158.08</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. (alloted 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.

(v) C.C. Limit from Bank of Baroda is 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)

## NOTES TO FINANCIAL STATEMENTS

<b>Note - 16 : Loans</b>		<b>(In Rs. Lakhs)</b>	
<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>	
Inter Corporate Deposit Given	-	294.28	
<b>Unsecured Considered Good:</b>			
Loans and Advances to Other parties	-	17.00	
Loans and Advances to related parties	-	5.00	
<b>Total</b>	<b>-</b>	<b>316.28</b>	

<b>Note - 17 : Other Current Assets</b>			
<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>	
Balance With Government Authorities	482.16	406.90	
Security Deposits/With Held Money/Retention Money	1020.77	896.36	
Fixed Deposits against Bank Guarantees	128.59	-	
Fixed Deposits with Banks	10.68	-	
Prepaid Expenses	38.60	9.26	
Contract WIP	2653.29	2222.94	
Other Receivables	187.68	158.91	
<b>Total</b>	<b>4521.77</b>	<b>3694.37</b>	

Note - Balance with Government Authorities include Rs. 208.00(P.Y. 208.00) paid to GST Department on account of search initiated by Director General of GST Intelligence (DGGI) Nagpur.

### Notes to Profit and Loss Account for the period ended on 31.03.2024

#### Note - 18 : Revenue from Operations

(In Rs. Lakhs)

<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
<b>Value of Sales</b>		
Sales of Products	2195.41	3135.13
<b>Income from Services</b>		
Contract Receipts	6952.17	3216.55
Sale of Services	-	-
<b>Total</b>	<b>9147.59</b>	<b>6351.67</b>

#### Note - 19: Other Income

<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
<b>Interest Income</b>		
Bank Deposits	71.92	24.19
Other Interest Income	1.75	3.53
<b>Total</b>	<b>73.67</b>	<b>27.73</b>
<b>Other Non Operating Income</b>		
Rent Income	109.19	108.84
Hiring Income	18.07	18.23
Profit on sale of Fixed Assets	29.68	10.32
Miscellaneous Income	3.32	1.74
Discount Income	2.26	4.38
Consultancy Fees Income	2.13	-
Sundry Balances Written off	11.05	-
<b>Total</b>	<b>175.70</b>	<b>143.50</b>
<b>Total Other Income</b>	<b>249.37</b>	<b>171.22</b>

## NOTES TO FINANCIAL STATEMENTS

### Note - 20: Direct Expenditure

Particulars	2023-24	2022-23
Construction and Civil Work Expense	1596.79	1639.42
Power and Fuel	717.38	739.12
Hiring Charges	256.24	100.67
Labour Expense	57.94	35.93
Royalty Expenses	186.85	184.49
Drilling Expenses	5.13	.15
Emulsion Expenses	-	6.95
Road Furniture and Accessories Expenses	3.84	4.29
Chemical Expenses	3.89	-
Sub Contract Charges	3609.62	35.09
<b>Total</b>	<b>6437.67</b>	<b>2746.11</b>

### Note - 21: Change in Inventories

Particulars	2023-24	2022-23
Opening Stock	393.30	443.44
Less: Closing Stock	388.63	393.30
<b>Total</b>	<b>4.67</b>	<b>50.14</b>

### Note - 22: Employee Benefit Expenses

Particulars	2023-24	2022-23
<b>Salaries and Wages</b>		
Salary Expenses	518.76	500.36
<b>Contribution to Provident and Other Funds</b>		
Employer's Contribution to Provident Fund	4.96	4.46
Gratuity Expenses	13.76	-1.38
Administrative Charges (PF)	.40	.78
Staff Welfare Expenses	1.67	3.73
Mess Expenses	38.68	29.55
Directors' Sitting Fees	.47	.30
<b>Total</b>	<b>578.69</b>	<b>537.81</b>

### Note - 23 : Finance Cost

Particulars	2023-24	2022-23
Bank Interest and Other Charges	1.55	19.86
Interest on TDS	10.70	-
Interest on VAT	7.62	-
Other Interest	155.34	167.61
Finance Charges	61.35	68.24
Bank Charges	.83	1.23
Bank Guarantee & Loan Processing Charges	22.10	26.36
<b>Total</b>	<b>259.48</b>	<b>283.29</b>

## NOTES TO FINANCIAL STATEMENTS

### Note - 24: Other Expenses

Particulars	2023-24	2022-23
Bad Debts	16.56	32.95
<u>Payment to Auditors</u>	-	-
As Audit Fees	2.75	3.30
Rent Expenses	14.20	8.84
Lease Rental Expenses	-	20.64
Repairs to Plant and Machinery	164.97	166.07
Insurance Expenses	17.01	10.62
Rates and Taxes (Excluding Taxes on Income)	23.24	1.23
Legal and Professional Fees	18.87	21.13
Site Expenses	20.85	50.65
Plant Operate Charges	51.48	44.76
Transportation Expenses	72.84	77.33
Loading & Unloading Exp.	3.08	.35
Loss on Sale of Fixed Assets	7.99	1.28
RTO Tax Expense	4.04	9.70
Security Expenses	1.68	4.64
Water Expenses	2.09	1.58
Consultancy Fees	19.66	36.04
Electrical Expenses	20.92	19.39
CSR Expenses	-	10.20
Other Expenses	176.81	150.64
<b>Total</b>	<b>639.06</b>	<b>671.34</b>

**NOTES TO FINANCIAL STATEMENTS****Financial Year 2023-24****(Amount in Rs. Lakhs)****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, Building construction, 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

## NOTES TO FINANCIAL STATEMENTS

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 is recognized as per AS 9 'Revenue Recognition' while revenue from operations of Road Construction is 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.

## NOTES TO FINANCIAL STATEMENTS

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 by the management. 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.

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 or 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 direct 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. 19.87 on Investment Property (including depreciation on Revalued amount of Rs. 6.11 and charged to Revaluation Reserve.).

## NOTES TO FINANCIAL STATEMENTS

### 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 Gratuity expense is recognized on accrual basis as per the report of the Actuary which is required to be obtained every 3 years. Therefore, for any period for which the report of actuary is not required to be obtained, gratuity expense is recognised on the basis of arithmetical formula and workings provided by the consultant for the gratuity. Generally, gratuity is paid to the employees on their retirement / termination of services / resignation / death of the employees

For the year ended on 31.03.2024, the company has made provision of Rs. 13.76 for Payment of Gratuity under the provisions of Payment of Gratuity Act, 1972 making total contribution till 31.03.2024 to Rs. 79.99.

### 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



## NOTES TO FINANCIAL STATEMENTS

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.

	2023-24		2022-23	
	Infrastructure & Mining	Trading	Infrastructure & Mining	Trading
Segment Revenue	8408.26	739.33	4988.43	1363.25
Segment Profit	453.08	1.05	297.41	6.52
Segment Assets	12645.48	0.00	11300.47	0.00
Segment Liability	3264.82	0.00	2446.79	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. 91.28 (including deferred tax asset of Rs. 18.72) for taxation in the books of account in view of profit earned during the F.Y. 2023-24 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 are liable 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

## NOTES TO FINANCIAL STATEMENTS

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	2023-24	2022-23
(i) Guarantees Guarantees to Banks and Financial Institutions against credit facilities extended to third parties and other Guarantees	1335.25	1076.85
(ii) Gujarat VAT assessment order for FY14-15	Nil	609.21
(iii) Goods and Service Tax Act (FY19-20 & 20-21)	175.07	175.07
(iv) M.P. Commercial Tax (FY 17-18)	26.02	0
<b>Total</b>	<b>1536.34</b>	<b>1861.13</b>

- 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. 383.08 for the F.Y. 2019-20 & 20-21. Out of the same, the company has paid Rs. 50.00 through duty reversal and Rs. 158.00 paid through cash ledger. Management has taken advice of GST consultant and according to their advice an application was filed with GST department stating that the said payment of Rs. 208.00 shall be treated as duty payment under protest. After taking professional consultation, the management is confident of getting back Rs. 208.00 paid to GST department which is considered as Balance with Government Authorities under the head Loans and Advances and remaining Rs. 175.07 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 31.03.2024	As at 31.03.2023
1	Girish Raval		Remuneration Paid	45.00	45.00

## NOTES TO FINANCIAL STATEMENTS

		Key Managerial Personnel (KMP)	Loan Taken	66.10	356.85
			Loan Repaid	122.66	516.43
2	Ashok Raval	Director	Interest Paid	29.54	28.91
			Loan Repaid	0.00	100.00
3	Bhaminiben Baldevprasad Mehta	Director	Interest Paid	Nil	Nil
			Interest Received	Nil	Nil
			Loan Taken	15.63	18.50
			Loan Repaid	10.00	103.00
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	DNM Overseas Private Limited	Enterprises over which Relatives of KMP are able to exercise Significant Influence.	Rent Income	0.35	0.00
9	Bhamini Infrastructure Private Limited	Enterprises over which KMP and/or Relatives of KMP are able to exercise Significant Influence	Hiring Charges Paid	Nil	Nil
			Purchase of Goods	45.82	42.11
			Sale of Goods	Nil	42.76
			Interest Received	26.71	16.42
			Inter Corporate Deposits Given	286.90	458.84
			Inter Corporate Deposit Repaid	605.22	199.30
10	Om Education Trust	Enterprises over which KMP and/or Relatives of KMP are able to exercise Significant Influence	Interest Paid	28.56	58.30
			Rent Income	108.84	108.84
			Acceptance of Deposit	143.11	22.45
			Repayment of Deposit	370.11	320.85

### 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 31.03.2024	As at 31.03.2023
Deferred Tax Asset	170.23	172.96
Tax effect on difference between depreciation as per books and as per Income Tax	18.72	(2.73)
Net Deferred Tax Asset	188.95	170.23

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

Particulars		2023-24	2022-23
Total Revenue (Bill raised up to 31.03.24)	A	20674.22	25636.45
Total Project Revenue	B	37128.14	30741.21
Estimated Total Project Cost	C	36311.07	30181.18

## NOTES TO FINANCIAL STATEMENTS

Contract Cost incurred till 31.03.24	D	22709.79	27347.04
% Completion based on cost incurred till 31.03.24	D/C	62.54%	90.61%
Revenue based on % Completion	A/B	55.68%	83.39%
Actual WIP Sales		2653.29	2222.94
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:-

- Disclosure in respect of borrowings from Banks and Financial institutions on the basis of security of current assets
  - 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 31.03.2024	As at 31.03.2023
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 Services Ltd.	06-02-18	07-02-22	18.56	100154172	Charge satisfaction not registered with ROC. Loan repaid but in view of existence of another loan on same asset, NOC from financier not received.

## NOTES TO FINANCIAL STATEMENTS

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.
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### 4. Analytical Ratios

Ratio	Numerator Amount	Denominator Amount	2023-24	2022-23	% change	Reason for Variation
Current Ratio	7964.03	2150.83	3.70	4.66	-20.48%	NA
Debt Equity Ratio	1542.23	6452.53	0.24	0.28	-15.01%	NA
DSCR	917.96	852.46	1.08	0.66	62.82%	Due to higher net profit and lower interest expense
ROE	362.85	6452.53	0.06	0.04	51.38%	Due to Increase in Net Profit and retained earnings.
Inventory Turnover Ratio	2819.87	390.96	7.21	6.5726	9.74%	NA
Debtors Turnover Ratio	8705.15	2376.62	3.66	3.68	-0.42%	NA
Creditors Turnover Ratio	2687.17	1594.5	1.69	2.29	-26.29%	Due to increase in cash flow
Net Capital Turnover Ratio	9147.59	5267.87	1.74	1.78	-2.64%	NA
NP Ratio	362.85	9147.59	0.04	0.03	11.38%	NA
ROCE	672.38	7007.51	0.10	0.08	14.82%	NA

#### 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

## NOTES TO FINANCIAL STATEMENTS

# Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

### 5. CIF Value of Imports

	31.03.2024	31.03.2023
Raw Material	Nil	Nil
Traded Goods	Nil	Nil
Fixed Assets	Nil	Nil

### 6. Expenditure in Foreign Currency

	31.03.2024	31.03.2023
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	17.00	17.00	Nil	0.00	Operational
2	Milestone academy	5.00	5.00	Nil	0.00	Operational
3	Bhamini Infrastructure Pvt. Ltd.	294.28	605.22	310.94	0.00	Inter corporate deposit
4	Kevin Maheshkumar Shah	950.00	Nil	Nil	950.00	Capital contribution for New Business
	<b>Total</b>	<b>1266.28</b>	<b>627.22</b>	<b>310.94</b>	<b>950.00</b>	

Note: During the previous financial year, the company has given unsecured advance of Rs. 950 lakhs to an individual pursuant to an MOU dated 15.06.2022 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 as well as recovery of interest till 30.06.2024 by supplementary letter dated 07/03/2023. In opinion of the board of directors, the amount is recoverable and hence considered good. Rs. 20 received during the current financial year towards interest has been fully recognized as income during the year

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.

## NOTES TO FINANCIAL STATEMENTS

13. Payments to Auditors For-	<b>F.Y. 2023-24</b>	<b>F.Y. 2022-23</b>
(i) Audit Fees	Rs. 2.75	Rs. 3.30
(ii) Other Matters	Rs. Nil	Rs. Nil

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

### 15. **CSR Activities:**

Sr#		31.03.2024	31.03.2023
1	Amount required to be spent by the Company	Nil	10.19
2	Amount of Expenditure incurred	Nil	10.20
3	Shortfall at the end of the year	Nil	Nil
4	Total of Previous year shortfall	Nil	Nil
5	Reason for shortfall	Nil	N.A.
6	Nature of CSR Activities	Nil	Women empowerment through education
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	31.03.2024	31.03.2023
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	Nil
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	Nil
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

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. 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.

**NOTES TO FINANCIAL STATEMENTS**

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**Signature to Schedule 1 to 25**

**For, Rachana Infrastructure Limited**

Sd/-

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

Sd/-  
Ishita Raval  
C.F.O.

Sd/-

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

Sd/-  
C.S. Himali Thakkar

**For, Ankit Chokshi & Co.**

(F. R. No. - 121722W)  
(Chartered Accountants)

Sd/-

\_\_\_\_\_  
Ankit Chokshi  
(Partner)  
M.No. 110303  
UDIN: 24110303BKAAUE9185  
Date: 30-05-2024  
Place: Ahmedabad



# Thanking You