



RAUNAQ EPC INTERNATIONAL LIMITED

Annual Report
2018-19



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Disclaimer Regarding Forward-Looking Statements

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

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

CORPORATE IDENTITY

OVERVIEW

Raunaq EPC International Limited (Raunaq/REIL) is multi-disciplinary engineering, manufacturing, and industrial Company. Raunaq primarily deals with two business sectors- Engineering, Procurement and Construction (EPC); and Automotive Components (Automotive Clutch Systems).

Incepted in the year 1965, REIL is a Group Company of the reputed 'Surinder P. Kanwar Group' which is a conglomerate of established Companies like Bharat Gears Limited (Automotive) and Clip-Lok Simpak (India) Private Limited (re-usable logistical packaging solutions). Raunaq is an ISO 9001:2015 certified organization. Raunaq has a wholly-owned subsidiary Company, Xlerate Driveline India Limited (XDIL) through which it carries out the business of manufacturing of Automotive Clutch Systems.

BUSINESSES

Engineering, Procurement & Construction (EPC): REIL is an established player with 5 decades of expertise in pipeline and storage infrastructure projects that are executed on a turnkey basis (engineering, procurement and construction).

Key categories of the projects which Raunaq executes include:

- Industrial Piping Systems
- Cross-country Piping and Piping Systems
- Storage Tanks and Oil Handling Systems
- Ash Water Circulations Systems
- Compressed Air Systems
- Fire Water Systems
- Site fabrication and equipment erection work



REIL CLIENTELE

Automotive Components (Xlerate Driveline India Limited): Raunaq, through XDIL specializes in manufacturing of clutch plates and clutch cover assemblies for the commercial vehicles. Raunaq's efforts in the automotive sector are further braced by one of the Group Companies 'Bharat Gears Limited', which is among the world leaders in gears technology and one of India's largest manufacturer of gears. XDIL has secured various quality, management and health & safety certifications viz. IATF 16949:2016, OHSAS 18001:2007 and ISO 14001:2015.

Major Product(s) and Technologies:

- Clutch Plates
- Dry-friction clutch assemblies
- Majorly Single-plate push-type category
- Sizes wide spread from 180 mm to 240 mm and 352 mm to 430 mm

Major Consumer Categories:

- Heavy Commercial Vehicles
- Light Commercial Vehicles



REIL EDGE

Diversified Business Portfolio: Raunaq has diversified its business into two entirely distinct segments viz. EPC and Automotive. This has reduced the Company's exposure to risk that might arise due to business cyclicity.

Present in promising sectors: Raunaq has its presence in the two sectors that are significant for the Country's economy – Infrastructure and Automotive.

Customer Trust through Customer First: The Company has a long-standing reputation among its customers and is considered as one of the most formidable players in its area of business.

Strong Lineage: Raunaq has a strong lineage as it has a legacy of sustenance in the corporate world for more

than 5 decades. It is a part of the reputed 'Surinder P. Kanwar Group' that has top companies like 'Bharat Gears Limited' and 'Clip-Lok Simpak (India) Private Limited'.

Presence in niche segment: Raunaq operates in the niche segment of mechanical solutions for industrial, power and hydrocarbon sectors in its EPC Business.

Presence in OEM business: Raunaq is present in the promising and more stable business of Original Equipment Manufacturer & Original Equipment Supplier through wholly owned subsidiary XDIL.

Pan-India Distribution Presence: Raunaq has a strong Pan-India presence of distribution network leading to deeper market penetration and wider customer reach.

XDIL DEALERS NETWORK



Jammu & Kashmir	7	Goa	1
Himachal Pradesh	1	Bihar	2
Punjab	1	Jharkhand	1
Delhi	5	Odisha	2
Haryana	2	West Bengal	4
Rajasthan	2	North Eastern States	4
Uttar Pradesh	3	Andhra Pradesh	1
Uttarakhand	1	Telangana	1
Gujarat	1	Karnataka	5
Madhya Pradesh	4	Tamilnadu	6
Chhattisgarh	2	Kerala	6
Maharashtra	10	Total Dealers - Pan-India	72

OPERATIONAL HIGHLIGHTS

REIL - PROJECTS EXECUTION (EPC):

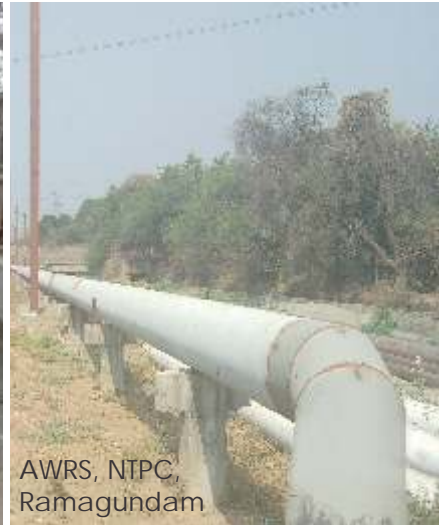
- Fabrication and erection of Large Dia CW piping system at NUPPL Ghatampur 3x660 MW for GE Power Systems.
- Fabrication and erection of Large Dia CW piping system at 1x660 MW Harduaganj extension – II project for Toshiba.
- Additional Ash water re-circulation project at NTPC Ramagundam 2600 MW.



CW Pipeline, NUPPL,
Ghatampur



CW Pipeline, Toshiba,
Harduaganj



AWRS, NTPC,
Ramagundam

XDIL – PRODUCTION HIGHLIGHTS:

- Revenues increased substantially in FY 2018-19 by 39.83% from last year.
- XDIL initiated development for new product range for ICV Segment and HCV Segment.



AWARDS AND RECOGNITIONS



CHAIRMAN'S MESSAGE



Dear Shareholders,

It is my pleasure to present the Annual Report for FY 2018-19. The Company continues to pass through tough times but is confident to sustain and to find the way-out. The Company has been in the EPC business for more than 5 decades and has weathered such storms in the past. The Company has been struggling to bag new orders due to the continuous adverse market conditions in the power sector especially thermal power. To overcome this, the Company is making efforts to make a break through in the water distribution business. The Company has a strong foothold in Design & Engineering, Quality Assurance & Inspection etc., sufficient in-house resources in terms of

Engineering Manpower, Tools & Plants and Technical know-how to cater to the needs for undertaking the Turnkey Contracts of Mechanical, Civil and Associated Electrical & Instrumentation Works, which gives it confidence to expand and infuse more funds to strengthen the EPC business.

In order to raise funds, the Company has decided to offload its stake in Xlerate Driveline India Limited, a wholly owned subsidiary Company in the Auto component business to Bharat Gears Limited, a group Company which is an established name in the auto component industry and wants to concentrate in the core EPC business.

With the funds raised, the Company is going to diversify in the water distribution segment and also plans to bid for new projects in the power sector with sustainable margins to stay afloat and further discharge the current financial liabilities to reduce the financial burden over the Company.

With our sustained track record of timely execution, engineering capabilities, and client relationships, we have begun focussing on the water distribution space. This sector holds ample potential in our Country. As currently, India is suffering from the worst water crises in its history with about 60 crore people facing high to extreme water stress and about two lakh people dying every year due to inadequate access to safe water. Citing data by agencies like Dalburg Analysis, FAO and UNICEF, the report said 40 per cent of population will have no access to drinking water by 2030. 21 cities, including New Delhi, Bengaluru and Hyderabad, will run out of groundwater by 2020, affecting 100 million people.

The Government has been steadily increasing budgetary allocation for the water sector. Ministry of Jal Shakti Department of Water Resources, River Development and Ganga Rejuvenation is taking many initiatives to expand water resources for irrigation, drinking, and cleaning up the Ganga, interlinking the rivers. The ministry is implementing key projects such as Namami Gange, Pradhan Mantri Krishi Sinchayi Yojana and inter-linking rivers. The above steps have led to increased orders in the pipeline and we expect to benefit from the same in the coming year.

Every hurdle gives us an opportunity to review and revisit our actions, and the downturn in our main business segment has provided us with this opportunity. We have started thinking out of the box and have come up with new avenues to scale our business. This has been a challenging yet exciting phase where our focus on quality and client relations have come to our aid. Going forward, we intend to grow in our newer focus areas of water distribution having great belief in the EPC business complimented by our core competencies in project management and timely execution.

In conclusion, I would like to thank all our shareholders for believing in us and standing by us through trying times. I would like to thank our customers and suppliers for their continued support in our existing and new growth plans. Last but of foremost value are our employees who have diligently worked with us on every step of the journey that we have undertaken, and are key to the success of our new path of revival. We firmly believe that our new efforts will bear fruit and put the Company back on the growth path.

With best regards,



Surinder Paul Kanwar
Chairman and Managing Director

BOARD OF DIRECTORS AND MANAGEMENT TEAM

BOARD OF DIRECTORS



Mr. Surinder Paul Kanwar
Chairman & Managing Director



Mr. Sachit Kanwar
Joint Managing Director



Dr. Sanjeev Kumar
Non-Executive Independent Director



Mr. P.K. Mittal
Non-Executive
Independent Director



Ms. Seethalakshmi
Venkataraman
Non-Executive
Independent Director



Mr. Rajiv Chandra Rastogi
Non-Executive
Independent Director

MANAGEMENT TEAM



Mr. Rajan Malhotra
Chief Executive Officer



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



Mr. Nitin Jain
DGM (Sales & Marketing)



Mr. Sachin Kumar Mittal
Chief Financial Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Mr. Sachit Kanwar, *Joint Managing Director*

Dr. Sanjeev Kumar

Mr. P.K. Mittal

Ms. Seethalakshmi Venkataraman

Mr. Rajiv Chandra Rastogi

AUDIT COMMITTEE

Dr. Sanjeev Kumar

Mr. P.K. Mittal

Mr. Rajiv Chandra Rastogi

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. P.K. Mittal

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

NOMINATION & REMUNERATION COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. P.K. Mittal

Mr. Rajiv Chandra Rastogi

FINANCE COMMITTEE

Mr. P.K. Mittal

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

Dr. Sanjeev Kumar

SHARE ISSUE COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

Mr. P.K. Mittal

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

Mr. P.K. Mittal

BUSINESS STRATEGY COMMITTEE

Dr. Sanjeev Kumar

Mr. Surinder Paul Kanwar

Mr. Sachit Kanwar

Mr. P.K. Mittal

SENIOR MANAGEMENT

Mr. Rajan Malhotra, *CEO*

Mr. A.D. Jain

Mr. Nitin Jain

Mr. Sachin Kumar Mittal

AUDITORS

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

COMPANY SECRETARY

Mr. Sukhvir

BANKERS

State Bank of India

ICICI Bank Ltd.

IndusInd Bank Ltd.

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

Noble Heights, 1st Floor, Plot No. NH-2,

C-1 Block LSC, Near Savitri Market,

Janakpuri, New Delhi-110 058

Ph: 011-41410592-94

Fax: 011-41410591

E-mail: delhi@linkintime.co.in

REGISTERED OFFICE

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

OTHER OFFICES

- 1009, Surya Kiran Building,
19, Kasturba Gandhi Marg,
New Delhi - 110 001

- 14th Floor, Hoechst House, Nariman Point,
Mumbai - 400 021

- Mookherjee House, 17, Brabourne Road,
Kolkata - 700 001



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

- ✿ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- ✿ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- ✿ Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- ✿ Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- ✿ Protection of national heritage, art and culture, including the restoration of building and sites of historical importance and works of art and setting up of public libraries.
- ✿ Measures for the benefit of armed forces veterans, war widows and their dependents.
- ✿ Training to promote rural sports, nationally recognized sports, Paralympic and Olympic sports.

✿ Rural Development projects.

Due to the tough financial conditions resulted out of long customers outstanding and adverse market conditions, the Company has not spent on CSR activities during the year 2018-19.

Nevertheless, the Company continued contributing to the lives of all its stakeholders in many different ways. This forms an integral part of the activities as enumerated in the CSR policy of the Company which it adopted after the enactment of the Companies Act, 2013. The Company has also contributed to the society, especially the needy persons, in special ways and through various NGOs.

Caring Autism

Autism is a complex lifelong neurological disability affecting a person's communicative and imaginative skills and ability to relate with the people. Symptoms range from mild learning and social disability to severe impairment. A number of autistic children do not even develop proper speech while others do but are rarely able to use the language for clear communication.

There are nearly 2 million autistic persons in India and the diagnosis of autism is growing at an alarming rate. REIL has been an active corporate contributor to the cause supported by Action for Autism (AFA) which is the largest non-profit non-government organization providing support and services to persons with autism and their families.

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

In CY2018, world economic growth marginally slowed down to 3.6%, as compared to 3.8% in CY2017, due to the lighter performance in the second half.

World Economic Output Growth (in %)

	2017	2018	2019P	2020P
World Output	3.8	3.6	3.3	3.6
Advanced Economies	2.4	2.2	1.8	1.7
United States	2.2	2.9	2.3	1.9
Euro Area	2.4	1.8	1.3	1.5
Japan	1.9	0.8	1.0	0.5
United Kingdom	1.8	1.4	1.2	1.4
Other advanced economies*	2.9	2.6	2.2	2.5
Emerging Markets and Developing Economies	4.8	4.5	4.4	4.8
China	6.8	6.6	6.3	6.1
India	7.2	7.1	7.3	7.5

*Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries

P=Projections

(Source: World Economic Outlook - April 2019)

Advanced economies registered slower growth in CY2018 at 2.2% as compared to 2.4% in CY2017 and expected to further slowdown in CY 2019 to 1.8% and in CY2020 to 1.7%, led by the negative effects of tariff increases in U.S. and China and the new fuel emission policy in Germany, sovereign and financial risk in Italy, contraction in Turkey and an overall weak financial market sentiment will further add to subdued performance in the coming years.

Growth in emerging markets is also expected to slow from 4.5% in CY2018 to 4.4% in CY2019 but is seen slowly picking up to 4.8% in CY2020. Trade tensions with U.S. will negatively impact China's economy, in addition to the needed financial regulatory tightening. In comparison India's economic growth is expected to pick up in FY2020, due to lower oil prices and a slower pace of monetary tightening, as inflation pressures ease.

Source: World Economic Outlook - April 2019

Indian Economy

While the global economy is battling headwinds, India's economy continues to be one of the fastest growing major economies in the world. India became the world's sixth largest economy in FY2019. The second advance estimates of Central Statistics Office (CSO) show that India's gross domestic product (GDP) is likely to grow by 7% in FY2019, slower than 7.2% growth witnessed in FY2018.

Actual and Projected GDP and Inflation in India (%)

	GDP growth in %	Inflation rate in %
2013-14	6.6	5.8
2014-15	7.2	4.9
2015-16	7.6	4.5
2016-17	7.1	3.6
2017-18	7.2	4.7
2018-19P	7.0	4.9
2019-20P	7.5	4.6
2020-21P	7.7	4.3

(Source: CSO and IMF)

India's Index of Industrial Production (IIP) recovered to 2.4% in December 2018, from 0.3% in November 2018 before slowing down to 1.7% in January 2019. The drag in IIP is mainly attributable to the sluggish pace of growth seen in the manufacturing sector. However, economic growth is expected to continue on its robust growth path, led by successful implementation of several Government Initiatives such as Swachh Bharat Mission, Digital India, and Make in India, among others.

India's economy is poised to pick up in FY2020, benefiting from lower oil prices and a slower pace of monetary tightening, as inflation pressures ease. IMF has projected India's economy to grow by 7.5% and 7.7% in FY2020 and FY2021, respectively. India is projected to become a US\$ 5 trillion economy by CY2025 and a US\$ 10 trillion economy before CY2035.

Source: CSO, IMF and <https://krishijagran.com/news/india-set-to-become-5-trillion-economy-in-next-5-years-piyush-goyal/>

INDUSTRY OVERVIEW

Infrastructure sector

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2018, India ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018.

Market Size

Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to December 2018 stood at US\$ 24.91 billion, according to the Department of Industrial Policy and Promotion (DIPP). The logistics sector in India is growing at a CAGR of 10.5 per cent annually and is expected to reach US\$ 215 billion in 2020.

Investments

India has a requirement of investment worth ₹50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to

have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space. Some key investments in the sector are listed below:

In 2018, infrastructure sector in India witnessed private equity and venture capital investments worth US\$ 1.97 billion.

In June 2018, the Asian Infrastructure Investment Bank (AIIB) has announced US\$ 200 million investment into the National Investment & Infrastructure Fund (NIIF). Indian infrastructure sector witnessed 91 M&A deals worth US\$ 5.4 billion in 2017.

Government Initiatives

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport.

The Government of India is taking every possible initiative to boost the infrastructure sector. Announcements in Union Budget 2019-20:

The Government of India has given a massive push to the infrastructure sector by allocating ₹ 4.56 lakh crores (US\$ 63.20 billion) for the sector. Communication sector allocated ₹ 38,637.46 crores (US\$ 5.36 billion) to development of post and telecommunications departments. The Indian Railways received allocation under Union Budget 2019-20 at ₹ 66.77 billion (US\$ 9.25 billion). Out of this allocation, ₹ 64.587 billion (US\$ 8.95 billion) is capital expenditure.

Power Sector

Introduction

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

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

In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power.

Market Size

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at

both the market and supply sides (fuel, logistics, finances, and manpower).

Total installed capacity of power stations in India stood at 350.16 Gigawatt (GW) as of February 2019.

Investment Scenario

Between April 2000 and December 2018, the industry attracted US\$ 14.18 billion in Foreign Direct Investment (FDI), accounting for 3.48 per cent of total FDI inflows in India.

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

- In November 2018, Renascent Power Ventures Pte Ltd acquired 75.01 per cent stake in Prayagraj Power Generation Company Limited (PPGCL) for US\$ 854.94 million.
- In August 2018, Kohlberg Kravis Roberts & Co (KKR) acquired Ramky Enviro Engineers Limited for worth US\$ 530 million.
- In April 2018 ReNew Power made the largest M&A deal by acquiring Ostro Energy for US\$ 1,668.21 million

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. Some initiatives by the Government of India to boost the Indian power sector:

- As of September 2018, a draft amendment to Electricity Act, 2003 has been introduced. It discusses separation of content & carriage, direct benefit transfer of subsidy, 24*7 Power supply is an obligation, penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations related to the same.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15 per cent by FY19.
- As of August 2018, the Ministry of New and Renewable Energy set solar power tariff caps at ₹ 2.50 (US\$ 0.04) and ₹ 2.68 (US\$ 0.04) unit for developers using domestic and imported solar cells and modules, respectively.
- The Government of India approved National Policy on Biofuels – 2018, the expected benefits of this policy are health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.

The Road Ahead

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 191.09*GW is expected to reach 330-441 GW by 2040##.

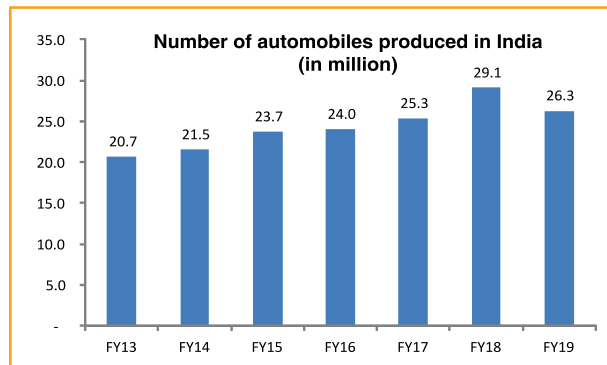
India could become the world's first country to use LEDs for all lighting needs by 2019, thereby saving ₹ 40,000 crores (US\$ 6.23 billion) on an annual basis.

All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by March 2019, as per the Ministry of Power and New & Renewable Energy, Government of India.

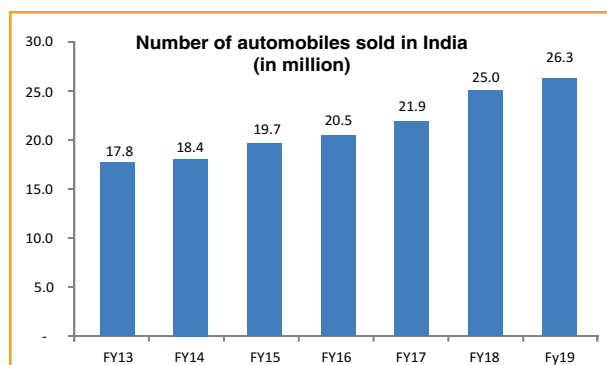
References: Media Reports, Press Releases, Press Information Bureau (PIB), PE Roundup – August'18 report by EY

Domestic Automobile Industry

India is considered to be the world's 4th largest automobile industry, beating Germany. It is soon on its way to become the 3rd largest by 2021, riding on rapid economic development, rising urbanisation, burgeoning middle class, supportive regulations and the Government's strong push for growth. The government's Automotive Mission Plan (AMP) FY2016-26 envisions the industry to grow around four times by FY2026 at 10% CAGR for vehicle sales volumes. The AMP is broadly focused on five aspects – Economic growth, passenger comfort, sustainability, quality and cost competitiveness. The industry is supported by factors such as the availability of low-cost skilled labour and low-cost steel production. India's automobile industry has the potential to generate upto US\$ 300 billion in revenue by FY2026, generating 65 million additional jobs and contributing over 12% to India's GDP.



Source: SIAM



Source: SIAM

The Government aims to develop India as a global manufacturing as well as a research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centres as well as a National Automotive Board to act as facilitator between the government and the industry. Under NATRiP, the Government of India is planning to set up R&D centres at a total cost of US\$ 388.5 million to enable the industry to be on par with global standards. Taking forward Government's Make in India initiative, the players in the industry invested in technology infusion from across the globe and contributed towards making India a manufacturing hub.

As per SIAM, the overall industry production including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle, grew 6.26% in FY2019, producing 3,09,15,420 vehicles as compared to 2,90,94,447 vehicles in FY2018. Overall automobile exports during the period, grew by 14.5%.

The Government's emphasis on the rural economy, infrastructure push, structural reforms and policy measures aiming at improving liquidity in the system were the key demand drivers. The Government's push to develop India as a global manufacturing and R&D hub is also lending heavy support to the automobile sector. (Source: Scotiabank Global Auto Report).

The country also has a thriving automotive component industry with revenues of US\$ 43.5 billion, including exports in excess of US\$ 11 billion in FY2017, recording a CAGR of over 7%. Mega trends that have been transforming the automotive component industry are - rapidly increasing customer needs, disruptive impact of technology, dynamic regulatory environment, changing face of mobility infrastructure and global interconnectedness.

The domestic automotive industry has been adopting new technology and capabilities in order to keep pace with the changing global landscape. The diversified nature of the domestic automotive industry not only provides scale, but also the risk-hedging ability to face market vagaries. The automotive aftermarket in India too is on a higher growth trajectory. A CII report estimates suggest that the domestic automotive aftermarket recorded a growth of 14% CAGR in the last five years, and moving ahead, it is projected to touch ₹ 75,000 crores by FY2020.

India is fast being recognised as a hub for high-quality managerial talent. Domestic players have been leveraging local talent for driving innovation through R&D centres, driving growth in the medium to long-term. In the next few years, the automobile sector is expected to record robust growth, given the infrastructure push from the Government and schemes like PMGSY. Added to this, increased disposable income, favorable Government policies for rural growth, personal taxation rebates, easy availability of finance, implementation of BS-VI (from BS-IV) by FY2020, and emerging concepts like light weighting and e-mobility have been driving growth. The automotive industry is on the cusp of a major change. The opportunities generated by the disruptions are changing the competitive game for players willing to step beyond

their traditional roles and engage with customers in a new and digital environment.

Source: SIAM, <https://economictimes.indiatimes.com/industry/auto/auto-news/indian-automotive-aftermarket-may-touch-rs-75000-crore-by-2020/articleshow/66814364.cms?from=mdr>

OPERATIONAL REVIEW

Raunaq EPC International Limited (REIL)

In FY 2018-19 there is a marginal increase in the total revenue to ₹ 5204.59 Lakhs in FY 2018-19 from ₹ 4557.37 Lakhs in FY 2017-18. This is due to the execution of the current ongoing projects. The Company has been struggling to bag new orders due to the continuous adverse market conditions in the power sector especially thermal power. The Company's order book position as on 31 March, 2019 stood at ₹ 2004.37 Lakhs.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS DURING THE FINANCIAL YEAR 2018-19

Sr. No.	Particulars	2017-18	2018-19	% Change in Ratios	Remarks
1.	Inventory Turnover Ratio	12.65	66.83	428%	Inventory level is down drastically in FY 2018-19
2.	Operating Profit Margin	45%	15%	(67)%	Operating profit is down due to increase in Raw material cost in FY 2018-19
3.	Net Profit/ Loss Margin	(1.84)%	(10.98)%	497%	The main reason of loss is increase in raw material cost and finance cost in FY 2018-19

The Company has been able to bag an order of ₹ 13.50 crores on 01 May, 2019 for Construction of Circulating Water System works for 2x800 MW APJL Projects, Godda from HTG Engineering Private limited for Adani Power (Jharkhand) Limited.

In terms of the execution, some of the major projects that the Company successfully worked on during FY 2018-19 include:

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

Xlerate Driveline India Limited (XDIL)

In FY 2018-19, XDIL's revenue has been consistently growing on year to year basis. This year revenue has

touched ₹ 4678.46 lakhs in comparison to the revenue of ₹ 3345.78 lakhs in FY 2017-18 which is a remarkable increase of 39.83%. The major reasons for the increase in sales is due to the consistently rise in the OEM/OES segment and also a stable growth in the After-market segment. Ratio of OEM/OES revenues has been improving vis-à-vis to the revenues generated from After-market segment which has provided a great strength to the working capital needs of the Company.

During the last year, the Company has initiated development for new product range for LCV Segment and HCV Segment. This will complete the Commercial vehicle range and increase the additional revenue. The Company has also added another Global Clutch Manufactures as an institutional Customer for Indian and Overseas Business. The Company has plan to invest in Semi automisation of production lines and for increasing capacity for its bottleneck operations like press shop and Functional Testing.

OUTLOOK

Raunaq EPC International Limited

Even with a limited scope in the existing market, the Company is trying to quote with cautious aggression and expect to receive few orders in the first quarter itself. The Company has also quoted few tenders in the water system field also but unfortunately because of general elections the same were either cancelled or postponed. The Company shall be tracking this important field and shall try to enter the same with the help of some JV partner so as to achieve a healthy outlook.

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

Xlerate Driveline India Limited

The Company focuses on leveraging existing OEM credentials to expand its OEM business portfolio necessary for scaling operations and effectively sweating production lines that are currently running at one-third capacities.

Further, it intends to fortify market share in the commercial segment and diversify to Tractor and UV segment, for which major development have been initiated with Top 2 (Two) Indian Market brands.

RISKS AND CONCERNS

Macroeconomic risk:

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

Mitigation:

The current macroeconomic scenario of the country remains strong with interest rates and inflation being

under control leading to favourable conditions for EPC players. Besides, the increased focus on infrastructure segment and initiatives undertaken to enhance ease of doing business and fast-track projects are all likely to improve the dire scenario of the EPC space over the next few years. Further, the water distribution space that the Company plans to diversify is amongst the most lucrative space owing to the growing demand for water and its inherent importance.

Moreover, the Company is strongly focusing on international markets to reduce country dependent risk. In its automotive business the Company already has export presence in Nepal, Sri Lanka and Bangladesh while in the EPC business it is actively focusing on bidding international projects under JV agreement.

Competition risk:

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

Mitigation:

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

Project execution risk:

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

Mitigation: The Company has adequate modern equipments which leads to high productivity at project sites. Investment in sophisticated IT infrastructure enabling real time data sharing, effective project planning and management, developing cost-effective designs and maintaining connectivity with employees at project sites. Besides, the Company has a competent engineering team having expertise in diverse fields. A combination of all these enables it to maintain a successful track-record of delivering quality projects in the scheduled time frame.

Liquidity risk:

Inability of the Company to recover payments in time may hamper its working capital which in turn may impact funding of other on-going projects.

Mitigation: The Company conducts a judicious risk-return evaluation of each project and rigorous follow up for the outstanding balances over 180 days. In addition, the efficient fund management by talented human resources enables it to remain low on debt by prudent reinvestments of working capital to fund new projects.

Business volume risks:

The Company's automotive business, being into aftermarket components requires high volumes to make it profitable and sustainable.

Mitigation:

The Company has successfully obtained orders from OEM and OES from established commercial players that is likely to provide with steady business volumes. It is also exploring opportunities for new OEM approvals and extending portfolio to passenger vehicle segment.

Production quality risk:

Inability of the Company to manufacture quality automotive products may result in rejection, loss of goodwill, inventory pile-up and losses.

Mitigation:

The Company employs competent team having strong design and manufacturing skills. It has advanced equipments that ensures quality of manufactured products along with product testing facilities that validates the quality of the products as per the specifications.

Fraud risk:

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

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

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

Legal risk:

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

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

Information risk:

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

Mitigation:

The information risk mitigation process developed by our Company includes:

- Establishing information risk management practices that will help to make the organisation successful.
- Regular re-evaluation of the nature and extent of the risks to which the organization is exposed, plus periodic adjustment to ensure that the company continues to steer the line between allowing risks to grow out of hand and constraining operational effectiveness.

Technology risk:

Your Company is engaged in providing service to the core infrastructure sector which faces the need of instituting new technology so as to gain cost advantage and timely completion of the project with the use of advanced techniques. Moreover a change in technology or an obsolete technique crates a huge risk and creates a cost burden on the projections and financials of the Company.

Mitigation:

To mitigate such risk, the Company takes following measures:

- The Company is employed with latest upgraded equipments and other state of the art technology and takes adequate insurance coverage to protect its construction equipments and company's other assets.
- The Company imparts training to its workers timely in consultation with experts and professionals.
- Active participation in the trade fairs and workshops for the understanding of new technological up gradations.

Country risk:

Your Company is trying to extend its product range and services in foreign territory. So it becomes utmost priority to evaluate country related risk before making any substantial investment commitments. The study of country related risk also become inherent in order to develop alternative scenarios.

Mitigation: Management is proactive in analyzing risk associated with across borders and carefully plans the terms and policies of the agreements.

Reputation risk:

Reputation is one of the most vital part of any organization's growth and expansion. Company not only has to build the reputation but it has to maintain as well for future. It is the most significant risk which management of the company consider as challenge because it is associated with company's market value. The company's financial stability is outcome of the good reputation the company holds in the market.

Mitigation:

Your Company has ensured every step to maintain the reputation through good communication between bankers and stakeholders and strong relationship building by its work culture and corporate governance. The ethics are instilled throughout the organization via code of conduct for the board, management and employees. The company has set up a management team for evaluating events that may trigger a negative impact on the organization.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has structured and well-defined internal control systems commensurate with the size and nature of the business it operates in. These systems, policies, procedures and guidelines cover various operational aspects. The Company stringently follow all procedures, ensures accuracy of financial information and compliance at all levels, and adheres to the laws, rules and statutes of the land. Periodic Internal Audit is also undertaken under the review of its Audit Committee. All activities are regularly monitored and any concerns raised are effectively addressed. The Internal Audit team independently reviews and strengthens the control measures. The Company's well-defined MIS systems further ensure that all expenses are within the budgetary allocations, and immediately flags off any mismatch for attention and corrective measures.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company considers human resources as a key factor responsible for its growth and long term sustainability. It periodically provides skill and personal development training to its employees to enhance productivity growth. In addition to this, the Company regularly arranges & organises events and festival celebration to keep the employees motivated. During the year, the industrial relations at the Head Office and Project sites remained cordial. As on 31 March, 2019, the Company had a total of 80 employees.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's projections, estimates and expectations may be interpreted as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets in which the Company operates, changes in government regulations, tax laws and other statutes. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

BOARD'S REPORT

(SECTION 134 OF THE COMPANIES ACT, 2013)

To The Members

Raunaq EPC International Limited

Your Directors have pleasure in presenting the 54th Annual Report of your Company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the Year ended 31 March, 2019.

FINANCIAL RESULTS

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

(₹/Lacs)

Consolidated		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Revenue from Operations and Other Income	9,883.05	7,903.17
Profit before Finance Cost and Depreciation	72.97	292.64
Finance Cost	462.45	331.06
Depreciation	154.59	161.36
Profit Before Tax	(544.07)	(199.78)
Less: Tax Expense	(82.58)	(51.46)
Profit for the year	(461.49)	(148.32)
Other Comprehensive Income		
Items that will not be reclassified to Profit and Loss (net of tax)	16.34	21.05
Total Comprehensive Income for the year	(445.15)	(127.27)

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

(₹/Lacs)

Standalone		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Revenue from Operations and other income	5,204.59	4,557.37
Profit before Finance Cost and Depreciation	(154.23)	184.35
Finance Cost	391.96	255.38
Depreciation	80.37	87.35
Profit Before Tax	(626.56)	(158.38)
Less: Tax Expense	(98.94)	(59.49)
Profit for the year	(527.62)	(98.89)
Other Comprehensive Income		
Items that will not be reclassified to Profit and Loss (net of tax)	19.52	21.28
Total Comprehensive Income for the year	(508.10)	(77.61)

Surplus in Statement of Profit and Loss

Opening balance	2,747.64	2,825.25
Add: Profit for the year	(508.10)	(77.61)
Less:		
Dividend paid- Equity	-	-
Tax on distributed profits	-	-
Transferred to General Reserve	-	-
Closing Balance	2,239.54	2,747.64

Dividend

In view of loss for the year, your directors have not recommended any dividend on equity shares of the Company for the year ended 31 March, 2019.

Business Operations

During the year under review, the revenue from operations and other income of the Company on Standalone basis was ₹ 5,204.59 Lacs against ₹ 4,557.37 Lacs in the previous year. The Profit after tax (PAT) is ₹ (527.62) Lacs against of ₹ (98.89) Lacs in the last year.

The revenue from operations and other income of the Company on Consolidated basis in the year 2018-19 was ₹ 9,883.05 Lacs against ₹ 7,903.17 Lacs in the previous year and the profit after tax (PAT) is ₹ (461.49) Lacs against ₹ (148.32) Lacs in the last year.

The decline in profits was primarily on account of adverse market conditions prevailing in the power sector in the past five years.

Future Outlook

Even with a limited scope in the existing market, the Company is trying to quote with cautious aggression and expect to receive few orders in the first quarter itself. An order for fabrication and erection of CW piping, valued at ₹ 13.50 crores has been received on 01 May, 2019 from M/s HTG. The order is for Adani's 2 x 800 MW Godda Power Project. The Company has also quoted few tenders in the Water System field also, but unfortunately because of General Elections, the same were either cancelled or postponed. The Company shall be tracking this important field and shall try to enter the same with the help of some JV partners so as to achieve a healthy outlook.

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

Consolidated Financial Statements

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), Consolidated Financial Statements have been prepared in accordance with IND AS-110 of the Indian Accounting Standards issued by the "Institute of Chartered Accountants of India" and have been provided in the Annual Report. These Consolidated Financial Statements provide financial information of your Company and its subsidiary as a single economic entity.

Indian Accounting Standards ("Ind AS")

The financial statements for the year ended 31 March, 2019 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under section 133 of the Companies Act, 2013 read with rules made there under, as amended.

Management Discussion and Analysis

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2019 and of the profit and loss of the Company for the period ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Contracts and Arrangements

The contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the related party transaction policy of the Company. The said policy as approved by the Board in terms of provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") is available on the website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com/pdf/related_party_transactions_policy.pdf) under the link http://www.raunaqinternational.com/pdf/related_party_transactions_policy.pdf.

The prescribed form AOC-2 of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure-"A"** to this report.

Particulars of Loans, Guarantees or Investment

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

Directors

During the period under review, the members of the Company, at their Annual General Meeting held on 02 August, 2018 approved:

- Re-appointment of Mr. N.V. Srinivasan as Non-Executive Director, liable to retire by rotation in terms of Section 152 of the Companies Act, 2013.

Mr. Gautam Mukherjee ceased to be a Director of the Company pursuant to his resignation w.e.f. 24 August, 2018.

Mr. V.K. Pargal and Mr. N.V. Srinivasan ceased to be Directors of the Company pursuant to their resignation w.e.f. 19 April, 2019.

The Board of Directors of the Company vide its resolution passed through circulation on 22 April, 2019 approved:

- appointment of Mr. Rajiv Chandra Rastogi as an Additional Director in capacity of Independent Director till the conclusion of ensuing Annual General Meeting (AGM) of the Company.
- continuation of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company w.e.f. 01 April, 2019 till the end of her current tenure upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of the provisions of Section 149 of the Companies Act, 2013, subject to the approval of the Shareholders at the ensuing Annual General Meeting in terms of Regulation 17 of the Regulations as amended, the age of the said Director being more than seventy five years as on 01 April, 2019.

Therefore, in terms of Section 149 of the Companies Act, 2013, it has been proposed to:

- appoint Mr. Rajiv Chandra Rastogi as a Non Executive Independent Director for a period of 5 (Five) Years upto the conclusion of the 59th Annual General Meeting (AGM) of the Company in the Calendar year 2024 at the ensuing AGM of the Company.
- continue Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company w.e.f. 01 April, 2019 till the end of her current tenure upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of Regulation 17 of the Regulations as amended, the age of the said Director being more than seventy five years as on 01 April, 2019.

The Company has received notice under Section 160 of the Companies Act, 2013 from member of the Company, proposing the candidature of Mr. Rajiv Chandra Rastogi for the office of the Non Executive Independent Director.

The brief resume of the Directors proposed to be appointed/continued is given in the notice calling the Annual General Meeting.

Number of Meetings of the Board

During the financial year 2018-19, 4 (Four) Board Meetings were held on the following dates:

- 25 May, 2018;
- 02 August, 2018;
- 31 October, 2018; and
- 23 January, 2019

The gap between any two meetings was not more than one hundred twenty days as mandated under the provisions of Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Regulations.

Independent Directors

In terms of provisions of Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the Regulations, all the Independent Directors of the Company have furnished a declaration to the Company at the meeting of the Board of Directors held on 22 May, 2019 stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Regulations, and are not being disqualified to act as an Independent Director. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In terms of the Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Independent Directors to familiarize them with working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities, and other relevant details. The details of familiarization programme during the Financial Year 2018-19 are available on the official website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors.pdf) under the link i.e. <http://www.raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors.pdf>

Policy on Directors' Appointment and Remuneration

In terms of provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Regulations, a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees has been adopted by the Board of Directors of the Company in pursuance of its formulation and recommendation by the Nomination and Remuneration Committee thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy is available on the website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com/pdf/nomination--and-remuneration-policy.pdf) under the link <http://www.raunaqinternational.com/pdf/nomination--and-remuneration-policy.pdf>

Evaluation Process

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

During the year under review, the Board of Directors at its meeting held on 23 January, 2019 have carried out the evaluation of the performance of Independent Directors and their independence criteria and the Independent Directors in their meeting held on even date have evaluated the performance of the Chairman and Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of flow of information between the Board and Company management.

The evaluation results reflect that the Company is well equipped as far as the management as well as governance aspects are concerned.

Key Managerial Personnel

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

1.	Mr. Surinder Paul Kanwar	Chairman & Managing Director
2.	Mr. Sachit Kanwar	Joint Managing Director
3.	Mr. Rajan Malhotra	Chief Executive Officer
4.	Mr. Sachin Kumar Mittal	Chief Financial Officer
5.	Mr. Sukhviri	Company Secretary

During the period under review, Ms. Chanchal Gupta has resigned from the post of Company Secretary of the Company w.e.f. 24 April, 2018 and Ms. Sukriti Manna had been appointed as Company Secretary of the Company w.e.f. 25 May, 2018.

Pursuant to resignation of Ms. Sukriti Manna w.e.f. 11 March, 2019, Mr. Sukhviri has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 22 May, 2019.

Disclosure under Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

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

Particulars of Employees

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

Risk Management

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

A risk management policy under the above said enterprise risk management framework as approved by the Board has been adopted by the Company and being reviewed on yearly basis.

Corporate Social Responsibility

In terms of provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee

("CSR Committee") is in existence to monitor the Corporate Social Responsibility Policy of the Company as approved by the Board and the said policy is available on website of the Company i.e. www.raunaqinternational.com.

The CSR Committee comprises of Mr. Surinder Paul Kanwar, Mr. Sachit Kanwar and Mr. P.K. Mittal.

As per the provisions of the said section, an amount of ₹ 6.07 Lacs was required to be spent on CSR activities by the Company during the financial year 2018-19.

The management explained that due to the tough financial conditions resulted out of long customers outstanding and adverse market conditions, the Company has not spent on CSR activities during the year 2018-19.

The report on CSR activities in terms of provisions of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed as **Annexure - "D"** to this report.

Audit Committee

The Audit Committee comprises of Dr. Sanjeev Kumar, Mr. P.K. Mittal and Mr. Rajiv Chandra Rastogi.

Internal Complaints Committee for Prevention of Sexual Harassment

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

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

During the year ended 31 March, 2019, no complaints pertaining to sexual harassment was received by ICC.

Subsidiaries/Joint Ventures/Associate Companies

Your Company has a 100% wholly owned subsidiary, Xlerate Driveline India Limited (XDIL).

Xlerate Driveline India Limited (XDIL) is engaged in the manufacturing of automotive components having its Industrial Unit at Faridabad, Haryana.

As on date, the Company holds 1,48,77,038 (One Crore Forty Eight Lakhs Seventy Seven Thousand Thirty Eight) Equity Shares of ₹ 10/- (Rupees Ten) each of XDIL amounting to ₹ 14,87,70,380/- (Rupees Fourteen Crores Eighty Seven Lakhs Seventy Thousand Three Hundred Eighty Only) as an investment directly/through its nominees which is equivalent to 100% paid up equity capital of XDIL.

Deposits

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

Investor Education and Protection Fund (IEPF)

In terms of provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Unclaimed Final Dividend pertaining to the Financial Year 2010-11 amount aggregating to ₹ 1,50,452/- (Rupees One Lakh Fifty Thousand Four Hundred Fifty Two Only) had been transferred to the "Investor Education and Protection Fund" established by the Central Government.

Further, in terms of provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") and the Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ("the Amended Rules"), the Company is required to transfer the equity shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government and a statement containing such details are required to be filed with the Ministry of Corporate Affairs (MCA).

In pursuance of the above, pursuant to the transfer of the unclaimed dividend for the year 2010-11 to the IEPF on 23 August, 2018 i.e. upon completion of seven years from transfer of dividend into unclaimed dividend account 2,382 (Two Thousand Three Hundred Eighty Two) Equity Shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2010-11 have been transferred into demat account of IEPF Authority. Pursuant to the transfer of aforesaid Equity Shares, 43,941 (Forty Three Thousand Nine Hundred Forty One) Equity Shares of the Company in aggregate are being held in demat account of IEPF Authority.

The unclaimed dividend for the year 2011-12 is proposed to be transferred to the Investor Education and Protection Fund (IEPF) on 23 August, 2019 i.e. upon completion of seven years from the transfer of said dividend into unclaimed dividend account. Subsequently, the equity shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2011-12 (net of the shares already transferred) shall also be transferred into IEPF.

In terms of the Rules dated 05 September, 2016 and the Amended Rules dated 28 February, 2017, the necessary communications have been made to the respective shareholders whose shares are required to be transferred to the IEPF during the Financial Year 2019-20 so as to enable them to claim their dividend attached to such shares before such dividend and shares are transferred to IEPF and further, the necessary information in this regard is available on the website of the Company i.e. www.raunaginternational.com for the convenience of the shareholders.

The Equity shares once transferred into IEPF can only be claimed by the concerned shareholder from IEPF Authority after complying with the procedure prescribed under the Rules and the Amended Rules.

Auditors

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

Report on Financial Statements

The report of M/s B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Regn. No. 001035N), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2019 is annexed to the financial statements in terms of provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes forming part of the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

Secretarial Audit

The Board has appointed M/s A.K. Jha & Associates, Practicing Company Secretaries, New Delhi as Secretarial Auditor for the Financial Year 2018-19 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report of the Company for the Financial Year ended 31 March, 2019 in the prescribed Form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure - "E"** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

Internal Financial Controls and their Adequacy

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

Maintenance of Cost Records

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

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The Report on Corporate Governance as stipulated under Schedule V(C) of the Regulations forms part of this Report.

The requisite certificate of Compliance from M/s A.K. Jha & Associates, Practicing Company Secretaries, New Delhi confirming compliance with the conditions of Corporate Governance is attached to this Report.

Vigil Mechanism

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

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

During the year under review, no employee was denied access to the Audit Committee.

The policy on vigil mechanism is available on the website of the Company i.e. www.raunaqinternational.com under the link http://www.raunaqinternational.com/pdf/policy_on_vigil_mechanism.pdf.

Reconciliation of Share Capital Audit

As per the directive of the Securities and Exchange Board of India (SEBI), the Reconciliation of Share Capital Audit is undertaken by a firm of Practicing Company Secretaries on quarterly basis. The Audit is aimed at reconciliation of total shares held in CDSL, NSDL and in physical form with the admitted, issued and listed capital of the Company.

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

Listing of Shares

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

Disclosures under Section 134 of the Companies Act, 2013

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

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

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

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

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

(₹/Lacs)

Particulars	2018-19	2017-18
Foreign Exchange Earned	-	-
Foreign Exchange Used	-	2.07

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

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

Annual Return

In terms of provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and the relevant rules made thereunder, a copy of the Annual return as prescribed under Section 92 of the Companies Act, 2013, as amended shall be made available on the website of the Company www.raunaqinternational.com under the link <https://www.raunaqinternational.com/pdf/annual-returns-2018-2019.pdf>

Compliance of Secretarial Standards

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

Court/Tribunal Orders

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

Acknowledgements

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

For and on behalf of the Board of Directors



Surinder Paul Kanwar

Chairman and Managing Director

DIN: 00033524

Place: New Delhi

Dated: 22 May, 2019

Annexure-“A”

Form No. AOC-2

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

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


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

NIL

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

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Xlerate Driveline India Limited (XDIL), Wholly Owned Subsidiary	Agreement for: 1. Bearing administration expenses. 2. Cost against utilization of any Banking facilities such as BG/LC. 3. Sale/Purchase of any Raw Material/Stores/ Capital Goods.	1 (One) year with effect from 01 April, 2018	Transaction value not exceeding ₹ 1.00 Crore	NA	-
2.	Mr. Praveen Kumar Mittal	Contract/arrangement between the Company and Mr. Praveen Kumar Mittal, relative of Mr. P.K. Mittal, Director of the Company for availing of Professional/ Consultancy services	1 (One) year with effect from 01 April, 2018	Transaction value not exceeding ₹ 5.00 Lakhs	NA	-
3.	Xlerate Driveline India Limited (XDIL), Wholly Owned Subsidiary	Agreement for bearing administration expenses of the Company by XDIL	2 (Two) months with effect from 01 February, 2019	Transaction value not exceeding ₹ 10.00 Lakhs	NA	-

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Place: New Delhi
Dated: 22 May, 2019

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

- Only one director draws managerial remuneration as per Schedule V of the Companies Act, 2013. The ratio of the remuneration of such director to the median remuneration of the employees of the Company for the financial year 2018-19:

S.No.	Name of the Director	Ratio of Remuneration of Director to median remuneration of employees
1.	Mr. Sachit Kanwar Joint Managing Director	26.38

Other directors are being paid with sitting fees only, details of which are mentioned in the Corporate Governance Report.

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

S.No.	Name of the Director/KMP	% increase in Remuneration in the Financial Year 2018-19
1.	Mr. Sachit Kanwar Joint Managing Director	0.00
2.	Mr. Rajan Malhotra Chief Executive Officer	18.61
3.	Mr. Sachin Kumar Mittal Chief Financial Officer	8.18*

*Drawn remuneration from Company upto 30 June, 2018 and from Xlerate Driveline India Limited, Wholly Owned Subsidiary Company w.e.f. 01 July, 2018 during Financial Year 2018-19.

- Percentage increase in the remuneration of the median employee is 0.55% in the Financial Year 2018-19.
- There were 80 permanent employees on the rolls of the Company as on 31 March, 2019.
- The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2018-19 was 1.22% and average percentage increase in the managerial remuneration of persons referred in point no. 2 is 5.96% in the financial year 2018-19.
- It is affirmed that the remuneration paid is as per the Remuneration policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Place: New Delhi
Dated: 22 May, 2019

Annexure-“C”

Information Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Forming Part of the Board's Report for the year ended 31 March, 2019

S. No.	Name	Age in Years	Qualification	Designation	Date of Commencement of Employment	Years of Exp.	Remuneration (₹ in Lacs)	Particulars of Last Employment	Percentage of Shareholding in the Company
A Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31st March, 2019									
1	Mr. Sachit Kanwar	36	B.A. (ECO)	JMD	23.03.2009	15	91.55	Lease Portfolio Manager-Airport Kia Toronto Ltd.	0.00
2	Mr. Rajan Malhotra	61	B.E.	CEO	08.11.2005	40	46.58	Utility Power Tech Ltd.	0.00
3	Mr. A.D. Jain	62	B.Tech - Civil	V.P.-Project	09.07.1979	40	38.01	The Cementation Construction Ltd.	0.00
4	Mr. Nitin Jain	57	DME	DGM-Sales	01.12.2006	34	19.83	AL Hassan Engineering Ltd.	0.00
5	Mr. Vipin Kumar	57	DME	AGM-Projects	01.02.2006	38	16.33	Tyco Valves & Controls India Pvt Ltd.	0.00
6	Mr. Sachin Kumar Mittal**	30	B. Com, CA-12	Sr. Manager-A/c	12.12.2017	7	14.14	Delhi Flour Mills Co. Ltd.	0.00
7	Mr. Jagmohan Singh Bisht	51	DME	Sr. Manager-Project	06.08.2007	31	13.56	Lloyd Insulation (India) Limited	0.00
8	Mr. Pradeep Mathur	59	B.Com	Manager	03.11.2003	39	11.12	Pitambar Coated Paper Ltd.	0.00
9	Mr. Jyoti Ranjan Behera	38	B. Tech - 06	Dy. Manager	09.11.2006	13	9.40	-	0.00
10	Mr. Rituraj Singh	32	B.E. - 08	Asst. Manager	02.05.2011	11	9.34	Satnam Global Infra Projects Ltd.	0.00

** Includes Salary drawn from the Company upto 30 June, 2018 and from Xlerate Driveline India Limited, Wholly Owned Subsidiary Company w.e.f. 01 July, 2018.

B Employed throughout the year ended 31 March, 2019 & were in receipt of Remuneration aggregating not less than ₹ 1,02,00,000/- per annum.

NIL

C Employed for the part of the year ended 31 March, 2019 & were in receipt of Remuneration aggregating not less than ₹ 8,50,000/- per month.

NIL

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

NOTES :

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

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Place: New Delhi
Dated: 22 May, 2019

Annexure-“D”

Annual Report on CSR activities for the Financial Year 2018-19

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	A brief outline of the Company's CSR policy has been provided in the "CSR initiatives" section under the Annual Report
2	The Composition of the CSR Committee:- Mr. Surinder Paul Kanwar Chairman Mr. Sachit Kanwar Member Mr. P.K. Mittal Member	
3	Average net profit of the company for last three financial years (Rs. in lacs)	302.62 Lacs
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Rs. in lacs)	6.07 Lacs
5	Details of CSR spent during the financial year: (a) Total amount to be spent for the financial year (b) Amount unspent, if any (c) Manner in which the amount spent during the financial year is detailed below:	6.07 Lacs 6.07 Lacs

1	2	3	4	5	6	7	8
S.No	CSR project or activity Identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1.				NIL			
TOTAL				NIL			

6. During the Financial Year 2018-19, the management of the Company has formed the view that due to the tough financial conditions resulted out of long customers outstanding and adverse market conditions, the Company has not spent on CSR activities during the year 2018-19.
7. The CSR Committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.



Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524



Sachit Kanwar
Joint Managing Director
DIN: 02132124

Place: New Delhi
Dated: 22 May, 2019

Annexure-“E”

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2019, 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 other records maintained by the Company for the financial year ended on 31 March 2019 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of the Act;
- 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;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; – **Not Applicable as the Company did not issue any security during the financial year under review.**
 - d. The Securities and Exchange Board of India (Share Benefits Employee Benefits) Regulations, 2014; – **Not Applicable as the Company does not have Employee Stock Option Scheme for its employees;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; – **Not applicable as the Company has not issued any debt securities during the financial year under review;**
 - 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; - **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – **Not applicable as the Company has not delisted its Equity Shares from any stock exchange during the financial year under review;** and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable as the Company has not done any buyback of its securities during the financial year under review.**
- vi. The following key / significant laws as specifically applicable to the Company: -
 - 1) Chapter V of Finance Act, 1994 (Service Tax), the Central Goods And Services Tax Act, 2017, Rules made there under and Notifications issued from time to time, etc.

- 2) Income Tax Act, 1961.
- 3) Indian Contract Act, 1872.
- 4) Indian Stamp Act, 1999.
- 5) Limitation Act, 1963.
- 6) Negotiable Instrument Act, 1981.
- 7) Registration Act, 1908.
- 8) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 9) Transfer of Property Act, 1882.
- 10) Trademark Act, 1999.
- 11) Contract Labour (Regulation and Abolition) Act, 1970.
- 12) Employees' State Insurance Act, 1948.
- 13) Employees Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' Provident Funds Scheme, 1952.
- 14) Payment of Gratuity Act, 1972.
- 15) The Minimum Wages Act, 1948 & its Central Rules/concerned State Rules/Notification of Minimum Wages applicable to various class of Industries/ Trade.
- 16) The Equal Remuneration Act, 1976.
- 17) Weekly Holidays Act, 1942.
- 18) Punjab Industrial Establishments (National and Festival Holidays and Casual and Sick Leave) Act, 1965.
- 19) Environmental and Pollution Laws.
- 20) Information Technology Act, 2000.
- 21) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
- 22) The Water (Prevention and Control of Pollution) Act, 1974.
- 23) The Water (Prevention and Control of Pollution) Cess Act, 1977.
- 24) The Air (Prevention and Control of Pollution) Act, 1981.
- 25) The Environment (Protection) Act, 1986.
- 26) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
- 27) Food Safety & Standards Act, 2006, and Food Safety & Standards Rules, 2011.
- 28) The Electricity Act, 2003.
- 29) The Payment of Bonus Act, 1965 & its Central Rules/Concerned State Rules if any.
- 30) The Maternity Benefit Act, 1961 & its Rules.
- 31) The Employee's Compensation Act, 1923.
- 32) The Industrial Dispute Act, 1947.
- 33) The Child Labour (Prohibition and Regulation) Act, 1986.
- 34) Punjab Shops and Commercial Establishments Act, 1958.
- 35) Bonded Labour System (Abolition) Act, 1976.
- 36) Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- 37) Maternity Benefit Act, 1961 and Maternity Benefit (Mines and Circus) Rules, 1963.
- 38) Motor Transport Workers Act, 1961.
- 39) Punjab Labour Welfare Fund Act, 1965.
- 40) The Building and Other Construction Workers Welfare Cess Act, 1996 and Rules thereof.
- 41) Workmen's Compensation Act, 1923.
- 42) The Design Act, 2000.
- 43) Plastic Waste Management Rules, 2016.
- 44) Solid Waste Management Rules, 2015.
- 45) The Noise Pollution (Regulation and Control) Rules, 2000.
- 46) The Micro, Small and Medium Enterprises Development Act, 2006.
- 47) The Private Security Agency (Regulation) Act, 2005.

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

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

I further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. However during the period under review, Ms. Chanchal Gupta, Company Secretary and Compliance officer of the Company has resigned with effect from 25.04.2018 and Ms. Sukriti Manna was appointed as Company Secretary and Compliance officer of the Company with effect from 25.05.2018 and she also resigned from the post with effect

from 11.03.2019. The changes 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.

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

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and as informed, the Company has responded to notices

for demands, claims, penalties etc. levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever necessary.

Observation:

The Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc. having a major bearing on the Company's Affairs.

**For AK JHA & ASSOCIATES
COMPANY SECRETARIES**



(Anant Kumar)

Membership No. 7324

Certificate of Practice No.7834

PLACE: New Delhi

DATE: 14/05/2019

ANNEXURE TO SECRETARIAL AUDIT REPORT

To

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


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

1. Maintenance of secretarial 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.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.

My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I further report that, based on the information provided by the Company, its officers, and authorized representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/Company Secretary/Managing Director & CEO, and taken on record by the Board of the Company, in my opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour Laws & Environment Laws and Data Protection Policy.
8. I further report that the Compliance by the Company of applicable Financial Laws like Direct & Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

**For AK JHA & ASSOCIATES
COMPANY SECRETARIES**



(Anant Kumar)

Membership No. 7324

Certificate of Practice No.7834

PLACE: New Delhi

DATE: 14/05/2019

CORPORATE GOVERNANCE REPORT

For the Year ended 31 March, 2019

[Pursuant to Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Regulations")]

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance is to achieve Business Excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and through the Governance mechanism in the Company, the Board alongwith its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

The Company not only adheres to the prescribed Governance practices under the regulations but is constantly striving to adopt emerging best practices. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives. The Company's philosophy on Corporate Governance is based on the following principles:

- Accountability, Independence, effective internal surveillance, voluntary legal compliance and governing rules and procedures.
- Empowering the management and employees to showcase strength, ownership, innovation and passion to excel and lead.
- Efficient resource management to enhance enterprise value and return on investment.
- Working for the society and community.
- Be transparent and maintain a high degree of disclosure levels.
- Legal and statutory compliances in its true spirit.
- Safeguard integrity in financial reporting.

The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

The Board of Directors ("the Board") is committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our corporate governance practices, under which we strive to maintain an effective, informed and Independent Board. We keep our governance practices under

continuous review and benchmark ourselves to best practices.

The Company recognizes communication as key element in the overall Corporate Governance framework and therefore, emphasizes on keeping abreast its stakeholders including investors, lenders, vendors and customers on continuous basis by effective and relevant communication through Annual Reports, quarterly results, corporate announcements and reflecting the same on the Company's official website i.e. www.raunaqinternational.com.

2. GOVERNANCE STRUCTURE

The Company's Governance comprises of two fold layer, the Board of Directors and the Committees of the Board at the apex level and the Management of the Company at an operational level. This brings about a homogenous blend in governance as the Board lays down the overall corporate objectives and provides direction and independence to the Management to achieve these objectives within a given framework. This professionally managed process results in building a conducive environment for sustainable business operations and value creation for all stakeholders.

3. BOARD OF DIRECTORS

Your Company has an optimum combination of Executive and Non-Executive Independent Directors on the Board which includes one Woman Director in compliance of Regulation 17(1) of the Regulations. As on 31 March, 2019, the Board consists of 7 (Seven) members, the Chairman of the Board is an Executive Director and more than half of the strength of the Board consists of Non-Executive Independent Directors. The composition of the Board represents an optimal mix of professionalism, knowledge, expertise and experience that enables the Board to discharge its responsibilities efficiently and provide effective leadership to the business in line with the Company's present requirements.

There is no nominee Director in the Company.

A. Board's definition of Independent Director

Independent Director shall mean Non-Executive Director, other than a Nominee Director of the Company:

- who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;
- (i) who is or was not a promoter of the Company or its holding, subsidiary or

- associate Company or member of the promoter group of the Company;
- (ii) who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;
- c. who, apart from receiving Director's remuneration, has or had no pecuniary relationship or having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. none of whose relatives—
- (i) is holding any security of or interest in the Company, its holding, subsidiary or associate Company during the two immediately preceding financial years or during the current financial year:
- Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent of the paid-up capital of the Company, its holding, subsidiary or associate Company or such higher sum as may be prescribed;
- (ii) is indebted to the Company, its holding, subsidiary or associate Company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
- (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters, or directors of such holding Company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
- (iv) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- f. who, neither himself/herself nor any of his/her relatives —
- (i) holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the current financial year;
- Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
- (A) a firm of Auditors or Company Secretaries in Practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
- (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;
- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- g. who is not less than 21 years of age.
- h. who is not a Non-Independent Director of another Company on the Board of which any Non-Independent Director of the Company is an Independent Director.
- The Board of Directors of the Company vide its resolution dated 03 February, 2012 has decided that the materiality/significance shall be ascertained on the following basis:
- The concept of 'materiality' is relevant from the total revenue inflow and/or outflow from and/or to a particular individual/body, directly or indirectly, during a particular financial year.
 - The term 'material' needs to be defined in percentage. One percent (1 per cent) or more of total turnover of the Company, as per latest audited annual financial statement.

Independent Directors of the Company as on 31 March, 2019, fulfill the criteria of being "Independent Director" as stipulated under Regulation 16 of the Regulations and are independent of the management. Further, the Independent Director(s) have declared that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/

her ability to discharge his/her duties with an objective independent judgment and without any external influence.

The **Table-1** gives Composition of the Board, Attendance record of the Directors at the Board Meetings and at the last Annual General Meeting (AGM); Number of their outside Directorships and their Memberships/Chairmanships in Board Committees.

Table-1

S.No.	Name of Director(s)	Category	No. of Board Meetings held/ attended	Attendance at last AGM	No. of outside Directorships held ^A	No. of Memberships/ Chairmanships in Board Committees ^B	
						Member	Chairman
1.	Mr. Surinder Paul Kanwar	Chairman and Managing Director	4/4	Present	2	3	-
2.	Mr. Sachit Kanwar	Joint Managing Director	4/4	Present	1	1	-
3.	Mr. P.K. Mittal	Non-Executive Independent Director	4/4	Present	-	1	1
4.	Dr. Sanjeev Kumar	Non-Executive Independent Director	4/4	Present	2	-	2
5.	Mr. Gautam* Mukherjee	Non-Executive Independent Director	4/2	Present	N.A.	N.A.	N.A.
6.	Mr. V.K. Pargal**	Non-Executive Independent Director	4/4	Present	N.A.	N.A.	N.A.
7.	Mr. N.V.** Srinivasan	Non-Executive Director	4/3	Present	N.A.	N.A.	N.A.
8.	Ms. Seethalakshmi Venkataraman	Non-Executive Independent Director	4/3	Present	-	-	-
9.	Mr. Rajiv*** Chandra Rastogi	Non-Executive Independent Director	NA	NA	1	2	-

*Resigned w.e.f. 24 August, 2018.

**Resigned w.e.f. 19 April, 2019.

***Appointed w.e.f. 22 April, 2019.

The Independent Directors who have resigned after 01 April, 2019 have stated that they have resigned due to personal reasons and confirmed in their respective resignation letter(s) that there are no other reasons, material or otherwise other than those provided.

The **Table-2** gives the details of Directorships of the Directors in other listed Companies and the category of directorship.

Table-2

S. No.	Name of Director(s)	Category	Name of other Listed Company	Category of Directorship in other listed Company
1.	Mr. Surinder Paul Kanwar	Chairman and Managing Director	Bharat Gears Limited	Chairman and Managing Director
2.	Mr. Sachit Kanwar	Joint Managing Director	NIL	N.A.
3.	Mr. P.K. Mittal	Non-Executive Independent Director	NIL	N.A.
4.	Dr. Sanjeev Kumar	Non-Executive Independent Director	NIL	N.A.
5.	Ms. Seethalakshmi Venkataraman	Non-Executive Independent Director	NIL	N.A.
6.	Mr. Rajiv Chandra Rastogi	Non-Executive Independent Director	NIL	N.A.

^Aexcluding directorship in Private Limited Companies, Alternate Directorship, Companies registered under Section 8 of the Companies Act, 2013 and Foreign Companies.

^Bfor the purpose of considering the limit of the Committees on which a Director can serve, all Public Limited Companies, whether listed or not, are included and all other Companies including Private Limited Companies,

Foreign Companies and the Companies under Section 8 of the Companies Act, 2013 are excluded and further, it includes Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee only in terms of Regulation 26(1) of the Regulations. None of the Directors of your Company is a Member of more than 10 (Ten) Committees or is the Chairman of more than 5 (Five) Committees across all Public Limited Companies in which they are Directors. The Membership/Chairmanship also includes Membership/Chairmanship in Raunaq EPC International Limited.

Mr. Surinder Paul Kanwar is the father of Mr. Sachit Kanwar. Mr. Sachit Kanwar has been appointed as Joint Managing Director with effect from 01 June, 2016 for a period of 5 (Five) years upto 31 May, 2021. Mr. Surinder Paul Kanwar is a member of Stakeholders' Relationship Committee of the Company as on 31 March, 2019. Further, he has been inducted as a Member of the Audit Committee and Stakeholders' Relationship Committee of Bharat Gears Limited w.e.f. 01 April, 2019.

Mr. Praveen Kumar Mittal, relative of P.K. Mittal is also providing professional/consultancy service to the Company in his individual capacity. Professional fees paid to him for the year 2018-19 is ₹ 1,80,000/- (Rupees One Lakh Eighty Thousand Only). The Board is of the opinion that such payments in the context of overall expenditure by the Company, is not significant and does not affect independence of Mr. P.K. Mittal, Director.

Apart from this, no other Non-Executive Director is related to any other Director inter-se and has any material pecuniary relationships/transactions vis-à-vis the Company (other than the sitting fees for attending the Board/Committee meetings).

The terms of appointment of the Directors appointed at the Annual General Meeting of the Company held on 02 August, 2018 are available on the website of the Company i.e. www.raunaqinternational.com.

In terms of Regulation 17(1A) of the Regulations, the consent of the members shall be obtained in the ensuing Annual General Meeting for continuation of Non Executive Director(s) who have attained the age of Seventy Five Years, upto their respective present tenure.

In terms of Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Directors that covers familiarizing the Directors about the nature of the industry in which the Company operates, business model of the Company, their roles, responsibilities and other relevant details by way of:

- Circulation of an elaborated note on business operations with regard to the operations and financial position of the Company as at the end of each quarter with the Agenda of each Board Meeting.
- Apprising the Board members about the operations at the ongoing project sites of the Company, the various clients, the new projects awarded to the Company, the debtors position and other details of the ongoing project sites so as to provide the Board a brief idea of the various types of jobs carried upon by the Company and their periodic developments.

- Updating the Directors of any amendments in laws, rules and regulations as applicable on the Company through various presentations at the Board Meeting(s) in consultation with the Statutory Auditors, Internal Auditors and the Secretarial Auditors of the Company likewise the Companies Act, SEBI Laws and such other laws and regulations as may be applicable.
- Various presentations are conducted at meetings of the Board/Committees of the Board periodically to familiarize the Directors with the business performance, business strategy, operations and functions of the Company. Such presentations help Directors to understand the Company's Strategy, Operations, Market Competition, Organization Structure, Risk Analysis and such other areas.

The details of familiarization programme during the Financial Year 2018-19 are available on the official website of the Company i.e. www.raunaqinternational.com under the link: <http://raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors.pdf>.

The Table-3 gives the details of core skills/expertise/competencies identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for Company to function effectively and those actually available with the Board.

Table-3

S. No.	Core skills/expertise/competencies	Available with the Board (YES/NO)
1.	Knowledge of Core Business i.e. EPC	YES
2.	Strategic Planning	YES
3.	Project Analysis and Marketing	YES
4.	Knowledge of Macro Environment vis-à-vis Industry	YES
5.	Financial Literacy	YES
6.	Ability to read Financial Statements	YES

B. Board Meetings

During the financial year 2018-19, 4 (Four) Board Meetings were held on the following dates. The gap between any two meetings was not more than 120 (one hundred and twenty) days as mandated in Regulation 17(2) of the Regulations:-

- 25 May, 2018;
- 02 August, 2018;
- 31 October, 2018; and
- 23 January, 2019

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director, Joint Managing Director and Chief Financial Officer and circulates the same in advance to the Directors. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. Presentations are made to the Board

on the business operations and performance of the Company. The minutes of the proceedings of the meetings of the Board of Directors are noted and the draft minutes are circulated amongst the members of the Board for their perusal. Comments, if any received from the Directors are also incorporated in the minutes, in consultation with the Chairman and Managing Director. The Minutes are signed by Chairman of the Board at the next meeting and signed minutes are circulated amongst the members of the Board for their perusal. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when considered necessary.

Post Meeting Follow Up System: The Company has an effective post Board Meeting follow up procedure. Action Taken Report on the decisions taken in a meeting are placed at the immediately succeeding meeting for information of the Board.

C. Information supplied to the Board

The Board has complete access to all information with the Company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes the following, extent to the applicability during the year as per Regulation 17(7) read with Schedule II of the Regulations.

- Annual Operating Plans and Budgets and any updates.
- Capital budgets and any updates.
- Quarterly, Half Yearly and Yearly Results of the Company.
- Minutes of the Meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

The Board periodically reviews the compliance reports of all laws applicable to the Company prepared by the Company along with the declaration made by all the respective departmental heads and by the Joint Managing Director regarding compliance with all applicable laws.

4. BOARD COMMITTEES

A. Audit Committee

I. Constitution and Composition

In terms of Regulation 18 of the Regulations, the "Audit Committee" comprises of the following Non-Executive and Independent Directors, who have financial/accounting acumen to specifically look into internal controls and audit procedures. All the members are financially literate and have accounting and financial management expertise. The **Table-4**

gives the composition of the Audit Committee and attendance record of members of the Committee:

Table-4

S. No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Dr. Sanjeev Kumar	Chairman	4/4
2.	Mr. P.K. Mittal	Member	4/4
3.	Mr. V.K. Pargal*	Member	4/4
4.	Mr. Rajiv Chandra Rastogi*	Member	N.A.

*Mr. V.K. Pargal ceased to be a member of the Committee pursuant to his resignation as Non-Executive Independent Director w.e.f. 19 April, 2019. Pursuant to the appointment of Mr. Rajiv Chandra Rastogi as a Non-Executive Independent Director w.e.f. 22 April, 2019, he has been inducted as a member of the Audit Committee. Accordingly, the Audit Committee has been reconstituted.

In addition to the Members of the Audit Committee, the Chief Financial Officer, Internal Auditors and Statutory Auditors attended the meetings of the Committee as invitees. Members held discussions with Statutory Auditors during the meetings of the Committee. The Audit Committee reviewed the quarterly, half-yearly and year to date un-audited and annual audited financials of the Company before submission to the Board of Directors for its consideration and approval. The Committee also reviewed the internal control systems and internal audit reports.

Pursuant to the resignation of Ms. Chanchal Gupta w.e.f. 24 April, 2018, Ms. Sukriti Manna had been appointed as the Company Secretary of the Company w.e.f. 25 May, 2018 and she acted as Secretary to aforesaid Audit Committee Meetings held after her appointment. Further, Ms. Sukriti Manna has resigned from the post of Company Secretary w.e.f. 11 March, 2019.

The Chairman of the Audit Committee was present at the last Annual General Meeting to answer the queries of the shareholders to their satisfaction.

II. Audit Committee Meetings

During the year, 4 (Four) meetings of the Audit Committee were held on the following dates in terms of Regulation 18 of the Regulations:

- 25 May, 2018;
- 02 August, 2018;
- 31 October, 2018; and
- 23 January, 2019

III. Powers of Audit Committee

The Audit Committee has been empowered with the adequate powers as mandated in Regulation 18 of the Regulations which includes the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

IV. Role of Audit Committee

The role of the Audit Committee in terms of Regulation 18 read with Part C of Schedule II of the Regulations includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. changes, if any, in accounting policies and practices and reasons for the same.
 - c. major accounting entries involving estimates based on the exercise of judgment by management.
 - d. significant adjustments made in the financial statements arising out of audit findings.
 - e. compliance with listing and other legal requirements relating to financial statements.
 - f. disclosure of any related party transactions.
 - g. modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a

public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee may also review such matters as may be referred to it by the Board or which may be specified as role of the Audit Committee under amendments, if any, from time to time, to the Regulations, Companies Act and other Statutes.

V. Review of Information by Audit Committee

The Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations, if required.

B. Nomination and Remuneration Committee

I. Constitution and Composition

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Regulations, the Nomination and Remuneration Committee constitutes of following Directors as members. **Table-5** gives the composition of the Nomination and Remuneration Committee and the attendance record of the members of the committee.

Table-5

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Dr. Sanjeev Kumar	Chairman	2/2
2.	Mr. Surinder Paul Kanwar	Member	2/2
3.	Mr. P.K. Mittal	Member	2/2
4.	Mr. Gautam Mukherjee*	Member	2/1
5.	Mr. V.K. Pargal*	Member	2/1
6.	Mr. Rajiv Chandra Rastogi*	Member	N.A.

*During the year, Mr. Gautam Mukherjee ceased to be a member of the Committee pursuant to his resignation w.e.f. 24 August, 2018. Mr. V.K. Pargal had been inducted as member of the Committee w.e.f. 31 October, 2018 and ceased to be member w.e.f. 19 April, 2019 pursuant to his resignation. Pursuant to the appointment of Mr. Rajiv Chandra Rastogi as a Non-Executive Independent Director w.e.f. 22 April, 2019, he has been inducted as a member of the Nomination and Remuneration Committee. Accordingly, the Nomination and Remuneration Committee has been reconstituted.

Dr. Sanjeev Kumar, Mr. P.K. Mittal and Mr. Rajiv Chandra Rastogi are Non-Executive Independent Directors and Mr. Surinder Paul Kanwar is Chairman and Managing Director of the Company.

II. Nomination and Remuneration Committee Meetings

During the Financial Year 2018-19, 2(Two) meetings of the Nomination and Remuneration Committee were held. **Table-6** gives the details of the date and purpose of the meetings of Nomination and Remuneration Committee:-

Table-6

S.No.	Date of Meeting	Purpose
1.	25 May, 2018	<ul style="list-style-type: none"> • Consideration and recommendation of the appointment of Ms. Sukriti Manna as Company Secretary and Compliance Officer of the Company. • Consideration and recommendation of the appraisal of Key Managerial Personnel (KMP) and Senior Management Personnel of the Company to the Board of Directors.
2.	23 January, 2019	Noting of the performance evaluation of Independent Directors carried on by the Board of Directors and performance evaluation by the Independent Directors in their separate meeting.

Pursuant to the resignation of Ms. Chanchal Gupta w.e.f. 24 April, 2018, Ms. Sukriti Manna had been appointed as the Company Secretary of the Company w.e.f. 25 May, 2018 and she acted as Secretary to the Nomination and Remuneration Committee Meeting held on 23 January, 2019. Further, Ms. Sukriti Manna has resigned from the post of Company Secretary w.e.f. 11 March, 2019.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

III. Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee in terms of the Regulations includes the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. devising a policy on Board diversity;
4. identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

5. deciding whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.
6. recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Pursuant to Schedule V to the Companies Act, 2013, in case of no profits or inadequate profits, the Nomination and Remuneration Committee has been empowered to consider, approve and recommend the remuneration of Whole Time Director/Managing Director.

IV. **Nomination and Remuneration Policy**

Pursuant to the provisions of the Companies Act, 2013 read with Regulation 19 of the Regulations, the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management as approved by the Board is available on the website of the Company i.e. www.raunaqinternational.com.

The objectives and purpose of the said policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Construction industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

While deciding the remuneration for Directors, Key Managerial Personnel and other employees, the Board and the Nomination and Remuneration Committee takes into consideration the performance of the Company, the current trends in the industry, the qualification of the appointee(s), positive attributes, their independence, expertise, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review the Company's remuneration policy from time to time.

V. **Policy on Board Diversity**

In terms of Regulation 19 of the Regulations, the Nomination and Remuneration Committee formed the policy on Board Diversity to provide for having a broad experience and diversity on the Board. The

said policy is a part of Nomination and Remuneration Policy.

VI. **Performance Evaluation**

In terms of Regulation 17 of the Regulations, the Board of Directors in its meeting held on 23 January, 2019 evaluated the performance of Independent Directors in terms of criteria of performance evaluation as laid down by Nomination and Remuneration Committee which covers the area relevant to their role as Independent Director in the Company.

During the Financial Year 2018-19, a separate meeting of the Independent Directors of the Company was held on 23 January, 2019 in terms of Regulation 25 of the Regulations.

The Independent Directors in their separate meeting:

- i. reviewed the performance of non-independent Directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VII. **Remuneration of Directors for 2018-19**

Table-7

(₹ In lacs)

NON-EXECUTIVE DIRECTORS				
Name of Members	Sitting Fees#		Salaries and Perquisites	Total
	Board Meetings	Committee Meetings		
Dr. Sanjeev Kumar	0.40	0.65	NIL	1.05
Mr. V.K. Pargal\$	0.40	0.45	NIL	0.85
Mr. P.K. Mittal	0.40	0.75	NIL	1.15
Mr. Gautam Mukherjee\$	0.20	0.05	NIL	0.25
Mr. N.V. Srinivasan\$	0.30	0.00	NIL	0.30
Ms. Seethalakshmi Venkataraman	0.30	0.00	NIL	0.30
			Sub-Total (A)	3.90
EXECUTIVE DIRECTORS				
Mr. Surinder Paul Kanwar Chairman & Managing Director			• Salary	0.00
			• Contribution to provident and other funds (*)	-
			• Monetary value of perquisites (**)	- ##0.00
Mr. Sachit Kanwar Joint Managing Director			• Salary and allowances	73.00
			• Contribution to provident and other funds (*)	7.56
			• Monetary Value of perquisites (**)	10.99
			Sub-Total (B)	91.55
			Grand Total	95.45

GST as applicable paid directly by the Company.

*Excludes provision for gratuity which is determined on the basis of actuarial valuation done on an overall basis for the Company.

**Excludes provision for compensated absences which is made based on the actuarial valuation done on an overall basis for the Company.

\$ Resigned w.e.f. 19 April, 2019.

\$\$ Resigned w.e.f. 24 August, 2018.

Token remuneration of ₹ 1.00 per month.

There is no notice period or severance fee in respect of appointment of any of the above Managerial Personnel. Neither Mr. Surinder Paul Kanwar nor Mr. Sachit Kanwar is entitled for any performance linked incentives and the Company does not have any Stock Option Scheme.

The Company has paid remuneration to the Non-Executive Directors by way of sitting fees at the rate of ₹ 10,000/- (Rupees Ten Thousand Only) for attending each meeting of the Board and Audit Committee and ₹ 5,000/- (Rupees Five Thousand Only) for other Committees of the Board of Directors of the Company.

C. Stakeholders' Relationship Committee

I. Constitution and Composition

In terms of the provisions of the Companies Act, 2013 and Regulation 20 of the Regulations, the "Stakeholders' Relationship Committee" constitutes of following 3 (Three) Directors as members. The **Table-8** gives the composition of the Stakeholders' Relationship Committee and the attendance record of Members of the Stakeholders' Relationship Committee:

Table-8

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. P.K. Mittal	Chairman	1/1
2.	Mr. Surinder Paul Kanwar	Member	1/1
3.	Mr. Sachit Kanwar	Member	1/1

Mr. P.K. Mittal is Non-Executive Independent Director, Mr. Surinder Paul Kanwar is the Chairman & Managing Director and Mr. Sachit Kanwar is the Joint Managing Director of the Company.

The "Stakeholders' Relationship Committee" has been empowered to consider and resolve the grievances of shareholders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and other miscellaneous grievances. The said Committee is also authorized to effect transfers/transmissions of Equity Shares/Debtentures and other securities and also to issue Duplicate Share Certificates and other securities and matters related or incidental thereto.

II. Stakeholder's Relationship Committee Meetings

In terms of Regulation 20 of the Regulations, at least 1(One) meeting of the Stakeholders' Relationship Committee is held in each Financial Year.

During the Financial Year 2018-19, 1 (One) meeting of the Stakeholders' Relationship Committee was held. **Table-9** gives the details of the date and purpose of the meeting of Stakeholders' Relationship Committee:-

Table-9

S.No.	Date of Meeting	Purpose
1.	25 May, 2018	Noting of status of requests received from the Shareholders for Dematerialisation, Rematerialisation, non-receipt of annual report, non-receipt of declared dividend, Transfers and Transmissions of Shares as on 31 March, 2018.

The Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

III. Sub-Committee

In order to have speedy disposal of the Shareholders'/Investors' requests for transfers and transmissions, a Sub-Committee consisting of the following Directors/Officers of the Company is in place for effecting transfer/transmission/split/consolidation of shares.

The Sub-Committee has also been empowered to approve the issue of Duplicate Share Certificates representing upto 500 Equity shares of the Company in lieu of those which are reported to be lost/misplaced by the shareholders upon the execution of the requisite Indemnity and other related documents.

- Mr. Surinder Paul Kanwar, Chairman and Managing Director
- Mr. Sachit Kanwar, Joint Managing Director
- Ms. Sukriti Manna, Company Secretary*
- Mr. Sachin Kumar Mittal, Chief Financial Officer
- Mr. Sukhvir, Company Secretary**

*Resigned w.e.f. 11 March, 2019.

** Appointed w.e.f. 22 May, 2019.

Any two of the above are authorised to consider and approve the transfer/transmission/split/consolidation of shares and to approve the issue of Duplicate Share Certificate(s) representing upto 500 Equity Shares of the Company. The Sub-Committee is attending to above said formalities at least once in a fortnight.

IV. Status of Investor Complaints/Requests

No. of Complaints received during financial year 2018-19	NIL
No. of Complaints resolved to the satisfaction of stakeholders during financial year 2018-19	Not Applicable

No. of pending requests for share transfers, transmissions, dematerialisations and rematerialisations as on 31 March, 2019.

Particulars	No. of Requests	No. of Securities
Transfers and Transmissions	NIL	NIL
Dematerialisations and Rematerialisations	NIL	NIL

In terms of Regulation 13 of the Regulations, the Company has filed the status of investor complaints at the end of each quarter with BSE Limited (BSE) through BSE Listing Centre duly signed by the Compliance Officer of the Company.

D. Corporate Social Responsibility Committee (“CSR Committee”)

I. Constitution and Composition

In terms of provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee (“CSR Committee”) constitutes of following 3 (Three) Directors as members to monitor the Corporate Social Responsibility Policy as approved by the Board, direct initiatives to be undertaken by the Company and recommend the amount of expenditure to be incurred on the activities referred to in the said policy.

A copy of the said policy is available on website of the Company i.e. www.raunaqinternational.com.

The **Table-10** gives the composition of the CSR Committee:

Table-10

S. No.	Name of Member	Designation	No. of Meeting Held/ Attended
1.	Mr. Surinder Paul Kanwar	Chairman	1/1
2.	Mr. Sachit Kanwar	Member	1/1
3.	Mr. P.K. Mittal	Member	1/1

Mr. Surinder Paul Kanwar is Chairman and Managing Director, Mr. Sachit Kanwar is Joint Managing Director and Mr. P.K. Mittal is Non-Executive Independent Directors of the Company.

II. CSR Committee Meetings

During the Financial Year 2018-19, 1 (One) meeting of CSR Committee was held. **Table-11** gives the details of the date and purpose of the meeting of CSR Committee:-

Table-11

S. No.	Name of Member	Designation
1.	25 May, 2018	Consideration and approval of spending on Corporate Social Responsibility (CSR) activities in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014

E. Finance Committee

The “Finance Committee” of the Board of Directors of the Company is in existence which has been empowered to take care of the financing and other day to day requirements of the Company. The said Committee is authorised to borrow monies, make loans, issue Shares etc. and matters related or incidental thereto.

The **Table-12** gives the composition of the Finance Committee.

Table-12

S. No.	Name of Member	Designation	No. of Meeting Held/ Attended
1.	Mr. P.K. Mittal	Chairman	3/3
2.	Mr. Surinder Paul Kanwar	Member	3/1
3.	Mr. Sachit Kanwar	Member	3/2
4.	Dr. Sanjeev Kumar	Member	3/3

Mr. P.K. Mittal and Dr. Sanjeev Kumar are the Non-Executive Independent Directors, Mr. Surinder Paul Kanwar is Chairman & Managing Director and Mr. Sachit Kanwar is Joint Managing Director of the Company.

During the Financial Year 2018-19, 3 (Three) meetings of Finance Committee were held on 11 July, 2018, 03 December, 2018 and 19 March, 2019 respectively to discharge the functions delegated to the Committee.

F. Business Strategy Committee

The Business Strategy Committee of the Board of Directors has been constituted to minutely review the operations of the Company. The said Committee is also authorized to form a long term strategy of the Company, review risk and opportunities, SWOT Analysis, advise the Board to take strategic decisions and matters related or incidental thereto.

The **Table-13** gives the composition of the Business Strategy Committee:

Table-13

S. No.	Name of Member	Designation
1.	Dr. Sanjeev Kumar	Chairman
2.	Mr. P.K. Mittal	Member
3.	Mr. Surinder Paul Kanwar	Member
4.	Mr. Sachit Kanwar	Member

Dr. Sanjeev Kumar and Mr. P.K. Mittal are the Non-Executive Independent Directors, Mr. Surinder Paul Kanwar is Chairman & Managing Director and Mr. Sachit Kanwar is Joint Managing Director of the Company.

Each of these Committees of the Board have requisite expertise to handle the issues relevant to their field and spend considerable time and give focused attention to the various issues placed before it and guidance by these Committees lend immense values and enhances the decision making process of the Board. The Board reviews the functioning of these Committees from time to time. The Meetings of each of the Committee are convened by the respective Chairman, who also informs the Board about the summary of discussion held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all the Directors individually and tabled at the respective Board/Committee Meeting.

5. SUBSIDIARY COMPANIES

Your Company has a 100% wholly owned subsidiary Xlerate Driveline India Limited (XDIL).

In terms of Regulation 16 of the Regulations, XDIL is "Material Unlisted Indian Subsidiary Company" of the Company in the preceding financial year 2017-18.

The Company has complied with the following requirements mandated in Regulation 24 of the Regulations:

1. Dr. Sanjeev Kumar and Mr. V.K. Pargal, Non-Executive Independent Directors of the Company are also the Non-Executive Independent Directors on the Board of Xlerate Driveline India Limited (XDIL) as on 31 March, 2019. Pursuant to resignation of Mr. V.K. Pargal w.e.f. 19 April, 2019, Mr. Rajiv Chandra Rastogi, Non-Executive Independent Director of XDIL has been appointed as Non-Executive Independent Director of the Company w.e.f. 22 April, 2019.
2. The Audit Committee periodically reviews the financial statements, in particular, the investments made by Xlerate Driveline India Limited (XDIL), if any.
3. The minutes of the Board Meetings of Xlerate Driveline India Limited (XDIL) are placed before the Board. The management periodically notifies to the Board of all significant transactions and arrangements entered into by Xlerate Driveline India Limited (XDIL).
4. The Company has formulated a policy on material subsidiary(ies) in accordance with the Regulation 16(1)(c) of the Regulations. The said policy has been posted on the website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com/pdf/policy_on_material_subsidiaryies.pdf) under the link: http://www.raunaqinternational.com/pdf/policy_on_material_subsidiaryies.pdf.

"Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

6. COMPLIANCE OFFICER

Pursuant to resignation of Ms. Chanchal Gupta w.e.f. 24 April, 2018, Ms. Sukriti Manna had been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 25 May, 2018.

Further, Ms. Sukriti Manna has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 11 March, 2019 and Mr. Sukhvair has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 22 May, 2019.

7. DIRECTORS

Appointment/Re-appointment of Non-Executive Directors

During the financial year 2018-19, the members of the Company, at their Annual General Meeting held on 02 August, 2018 approved:

- Re-appointment of Mr. N.V. Srinivasan as Non-Executive Director, liable to retire by rotation in terms of Section 152 of the Companies Act, 2013.

The Board of Directors of the Company vide its resolution passed through circulation on 22 April, 2019 approved:

- Appointment of Mr. Rajiv Chandra Rastogi as an Additional Director in the capacity of Independent Director till the conclusion of ensuing Annual General Meeting (AGM) of the Company.
- Continuation of Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company w.e.f. 01 April, 2019 till the end of her current tenure upto the conclusion of the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of the provisions of Section 149 of the Companies Act, 2013, subject to the approval of the Shareholders at the ensuing Annual General Meeting in terms of Regulation 17 of the Regulations as amended, the age of the said Director being more than seventy five years as on 01 April, 2019.

Therefore, in terms of Section 149 of the Companies Act, 2013, it has been proposed to:

- appoint Mr. Rajiv Chandra Rastogi as Non-Executive Independent Director for a period of 5 (Five) Years upto the conclusion of the 59th Annual General Meeting (AGM) of the Company in the Calendar year 2024 at the ensuing AGM of the Company.
- continue Ms. Seethalakshmi Venkataraman as a Non-Executive Independent Director of the Company w.e.f. 01 April, 2019 till the end of her current tenure upto the conclusion of

the 55th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of Regulation 17 of the Regulations as amended, the age of the said Director being more than seventy five years as on 01 April, 2019.

As required under Regulation 36 of the Regulations, the information or details pertaining to the Director seeking appointment in the ensuing Annual General Meeting are furnished below.

The **Table-14** gives the information pertaining to the Non-Executive Independent Director who is to be appointed in terms of the provisions of Section 149 of the Companies Act, 2013.

Table-14

S.No.	Particulars						
1.	<p>Mr. Rajiv Chandra Rastogi, Director</p> <p>Brief Resume: Mr. Rajiv Chandra Rastogi, aged 67 Years is a Commerce graduate from University of Delhi and has a wide exposure of different aspects of Industry. He is the member of Audit Committee and Nomination and Remuneration Committee of Raunaq EPC International Limited and is a Director and Chairman/Member of the Committees of the Board of the following other Companies:</p> <table><tr><th>S. No.</th><th>Name of the Company in which interested</th><th>Committee Chairmanship/ Membership</th></tr><tr><td>1.</td><td>Xlerate Driveline India Limited</td><td>Audit Committee – Member Nomination and Remuneration Committee – Member</td></tr></table> <p>As on 22 April, 2019, he does not hold any Share in the Company.</p>	S. No.	Name of the Company in which interested	Committee Chairmanship/ Membership	1.	Xlerate Driveline India Limited	Audit Committee – Member Nomination and Remuneration Committee – Member
S. No.	Name of the Company in which interested	Committee Chairmanship/ Membership					
1.	Xlerate Driveline India Limited	Audit Committee – Member Nomination and Remuneration Committee – Member					
2.	<p>Ms. Seethalakshmi Venkataraman, Director</p> <p>Brief Resume: Ms. Seethalakshmi Venkataraman, aged 76 Years is a Non-Executive Independent Director of the Company since 28 March, 2015. She has done Masters in Economics from the University of Delhi. She was a research associate with All India Management Association and Faculty Research Associate in Indian Institute of Management, Ahmedabad. She has also researched on the Introduction of Management Education in India (a Ford Foundation Project). She has also worked as Senior Manager (HRD) with NTPC Limited for over 20 years and also worked on Non Profit Management Modules for a Project for Getty Foundation, USA. She was a Member Secretary with the Sanskrit Foundation, New Delhi.</p> <p>She does not hold Membership/Chairmanship of any Committee of Raunaq EPC International Limited and is not a Director and Chairman/Member of the Committees of the Board of any other Company.</p> <p>As on 31 March, 2019, she does not hold any Share in the Company.</p>						

8. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as detailed below:

Annual General Meetings

Table-15

Financial Year	Venue	Date & Time	Special Resolution Passed
2017-18	Faridabad Industries Association, FIA House, Bata Chowk, Faridabad - 121001 (Haryana)	02.08.2018 11:30 A.M.	No
2016-17	ARK Hall Hotel Saffron Kiran, 12/6, NH-2, Further to Sarai Metro Station, Near to Badarpur Toll Plaza, Sarai Khwaja, Faridabad - 121003, (Haryana)	08.08.2017 03:00 P.M.	No
2015-16	Huda Convention Centre, Sector-12 Faridabad-121007 (Haryana)	03.08.2016 11.30 A.M.	Yes Re-Appointment of Mr. Sachit Kanwar as Joint Managing Director of the Company for a further period of 5 (Five) years w.e.f 01 June, 2016 on the terms and conditions including remuneration payable to him for a period of 3 (Three) years with effect from 01 June, 2016.

Extra-ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31 March, 2019.

Postal Ballot

There are no special resolutions passed during 2018-19 through postal ballot and no special resolution is proposed to be conducted through postal ballot.

9. MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Financial Results during the year were published by the Company as under:

Table-16

Financial Results	Name(s) of Newspapers	Date(s) of Publication
Quarter/Year ended 31 March, 2018	Financial Express* Jansatta (Hindi)**	26 May, 2018
Quarter ended 30 June, 2018	Financial Express* Jansatta (Hindi)**	03 August, 2018
Quarter/Half Year ended 30 September, 2018	Financial Express* Jansatta (Hindi)**	01 November, 2018
Quarter/Nine Months ended 31 December, 2018	Financial Express* Jansatta (Hindi)**	24 January, 2019

* Financial Express-Mumbai & Delhi Edition

**Jansatta (Hindi)-Delhi Edition

In addition to the above, the quarterly/half yearly and the annual financial results and official releases, if any, are also displayed under the “Investors” section on the Company’s official website i.e. www.raunaqinternational.com for the information of all the shareholders.

Also, the Quarterly Results, Corporate Governance Report and Shareholding Pattern of the Company as mandated under Regulation 33, Regulation 27 and Regulation 31 of the Regulations respectively are filed with BSE Limited (BSE) through BSE Listing Centre.

Further, any interviews given by Company Executives/Management during the year are also displayed on the Company’s official website i.e. www.raunaqinternational.com.

Green Initiative

In support of the “Green Initiative” undertaken by the Ministry of Corporate Affairs (MCA), the Company had sent soft copies of Annual Reports for the year 2017-18 to all those shareholders whose e-mail addresses were made available to the depositories or the Registrar and Transfer Agents (RTA). Physical copies were sent to only those shareholders whose e-mail addresses were not available and for the bounced e-mail cases.

Besides the above, no other presentations were made to any institutional investor or to the analysts.

10. GENERAL SHAREHOLDERS’ INFORMATION

A. Company Registration Details:

The Company is registered under the Registrar of Companies, NCT of Delhi and Haryana.

The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51909HR1965PLC034315.

B. Annual General Meeting Details:

The forthcoming AGM of the Company shall be held at 11.30 A.M. on Monday, the 05 August, 2019 at Faridabad Industries Association, FIA House, Bata Chowk, Faridabad - 121001 (Haryana).

C. Financial Year:

Financial year of the Company commences on 01 April and ends on 31 March. The four Quarters of the Company end on 30 June; 30 September; 31 December and 31 March respectively.

D. Listing on Stock Exchange and Stock Code:

The Shares of the Company are listed on the following Stock Exchange:

BSE Limited [BSE]
[Stock Code 537840]

The Annual Listing Fees for the year 2019-20 shall be paid to the BSE Limited.

E. Market Price Data:

High and Low prices during each month of Financial Year 2018-19 on BSE Limited are as under:

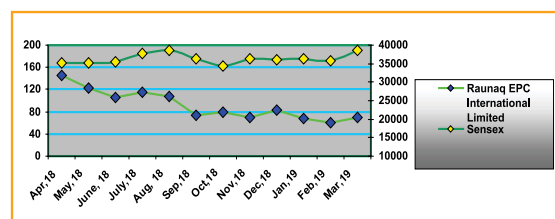
The Closing Price represents the price on the last trading day of each month of Financial Year 2018-19.

Table-17

Month	High (₹)	Low (₹)	Closing (₹)
April	153.60	120.00	146.00
May	149.95	121.05	122.70
June	129.90	98.00	105.10
July	125.00	97.70	115.15
August	119.90	90.00	108.00
September	119.90	72.40	73.30
October	85.75	64.80	80.00
November	96.00	70.00	70.10
December	83.60	67.00	82.70
January	97.00	68.10	68.70
February	74.00	60.00	60.00
March	70.55	62.00	69.55

The graphical presentation of movement of closing prices of the Company on BSE during the year is as under:

RAUNAQ EPC INTERNATIONAL LIMITED PRICES VERSUS SENSITIVITY AT BSE



F. Registrar and Transfer Agent:

Link Intime India Private Limited is the Registrar and Transfer agent for handling both the share registry work relating to shares held in physical and electronic form at single point. The Share Transfers were duly registered and returned in the normal course within stipulated period, if the documents were clear in all respects.

The Shareholders are therefore advised to send all their correspondences directly to the Registrar and Transfer Agent of the Company at the below mentioned address:

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH-2,
C1 Block LSC, Near Savitri Market,
Janakpuri, New Delhi-110058
Ph: 011-41410592-94
Fax: 011-41410591
E-mail: delhi@linkintime.co.in

However, for the convenience of Shareholders, correspondences relating to Shares received by the Company are forwarded to the Registrar and Transfer Agent for action thereon.

In terms of Regulation 7 of the Regulations, the Company has filed a compliance certificate with BSE Limited (BSE) through BSE Listing Centre duly signed by Compliance Officer of the Company and the authorized representative of Registrar & Transfer Agent of the Company of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by the Registrar & Transfer Agent of the Company.

G. Share Transfer System:

The Shares are accepted for registration of transfer at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal of Shareholders grievances.

In order to have speedy disposal of the Shareholders'/ Investors' requests for transfers and transmissions, a Sub-Committee consisting of the following Directors/ Officers of the Company is in place for effecting transfer/transmission/split/consolidation of shares.

- Mr. Surinder Paul Kanwar, Chairman and Managing Director
- Mr. Sachit Kanwar, Joint Managing Director
- Ms. Sukriti Manna, Company Secretary*
- Mr. Sachin Kumar Mittal, Chief Financial Officer
- Mr. Sukhvir, Company Secretary**

*Resigned w.e.f. 11 March, 2019.

** Appointed w.e.f. 22 May, 2019.

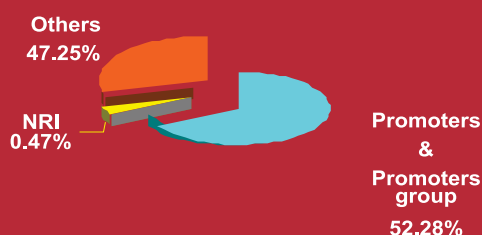
Any two of the above are authorised to consider and approve the transfer/transmission/split/consolidation of shares. The Sub-Committee is attending to above said formalities at least once in a fortnight.

After approval of the Sub-Committee, the Share Transfers are affected by the Registrar and Transfer Agent of the Company.

As per the requirements of Regulation 40(9) of the Regulations, the Company has obtained the Half Yearly Compliance Certificate from a Company Secretary in Practice for due compliance of Share Transfer formalities and same has been filed with BSE Limited (BSE) through BSE Listing Centre.

H. Shareholding pattern of the Company as per category of shareholders as on 31 March, 2019

Categories of Shareholders as on 31 March, 2019



* Non Promoters Holdings are Negligible

Table-18

Category		No. of Shares Held	%age of Share holding
A. Promoters' holding			
1.	Promoters		
	- Indian Promoters	1747955	52.28
	- Foreign Promoters	-	-
2.	Persons acting in Concert	-	-
B. Non-Promoters' Holding			
3.	Institutional Investors		
	a. Mutual Funds and Unit Trust of India	-	-
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	217	0.01
	c. Foreign Institutional Investor	-	-
4.	Others		
	a. Private Corporate Bodies	319908	9.57
	b. Indian Public	1211813	36.25
	c. Non Resident Indians/ Overseas	15759	0.47
	d. NBFCs registered with RBI	2227	0.06
	e. Any Other	45364	1.36
Total		3343243	100.00

I. Distribution of Shareholding as on 31 March, 2019:

Table-19

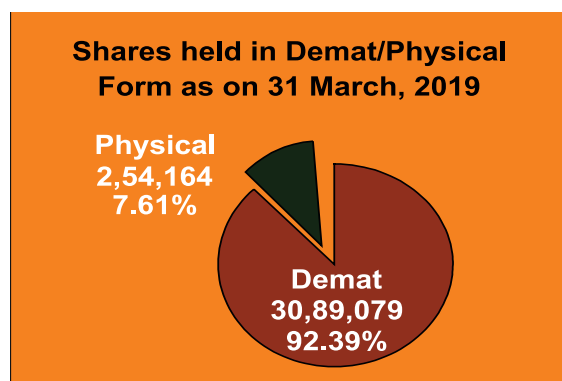
No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 500	2183	157871	4.73
501 to 1000	161	123435	3.69
1001 to 2000	68	100228	3.00
2001 to 3000	19	50487	1.51
3001 to 4000	4	14325	0.42
4001 to 5000	16	71593	2.14
5001 to 10000	17	112674	3.37
10001 and above	27	2712630	81.14
Total	2495	3343243	100.00

J. Share Dematerialisation System:

The requests for dematerialisation of shares are processed by Registrar & Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories by way of electronic entries for dematerialisation of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

K. Dematerialization of Shares and Liquidity:

The Company's Equity Shares are compulsory traded on BSE Limited in the dematerialized mode and are available for trading under both the Depository Systems in India i.e. National Securities Depository Limited and Central Depository Services (India) Limited.



As on 31 March, 2019 a total of 30,89,079 equity shares of the Company of ₹ 10/- each, which form 92.39% of the paid up Equity Share Capital, stand dematerialized.

Table-20

PARTICULARS					
DEMAT				PHYSICAL	
NSDL		CDSL			
No. of shares	%	No. of shares	%	No. of shares	%
2706041	80.94	383038	11.46	254164	7.60

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

L. Unclaimed Shares in Physical Mode:

As per Part F of Schedule V of the Regulations, there are no unclaimed shares in the Company.

In terms of Section 124(6) of the Companies Act, 2013 read with the Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") and the Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ("the Amended Rules"), the Company is required to transfer the equity shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government and a statement containing such details are required to be filed with the Ministry of Corporate Affairs (MCA).

In terms of above, pursuant to the transfer of the unclaimed dividend for the year 2010-11 to the IEPF on 23 August, 2018 i.e. upon completion of seven years from transfer of dividend into unclaimed

dividend account, 2,382 (Two Thousand Three Hundred Eighty Two) Equity shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2010-11 have been transferred into demat account of IEPF Authority.

Pursuant to the transfer of aforesaid Equity Shares, 43,941 (Forty Three Thousand Nine Hundred Forty One) Equity Shares of the Company in aggregate are being held in demat account of IEPF Authority. No such Shareholder whose Equity Shares are held in the demat account of IEPF Authority has approached the Company or IEPF Authority to claim their respective Shares during the Financial Year 2018-19.

Further, upon transfer of the unclaimed dividend for the year 2011-12 to the Investor Education and Protection Fund (IEPF) on 23 August, 2019 i.e. upon completion of seven years from the transfer of dividend into unclaimed dividend account, the equity shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2011-12 (net of the shares already transferred) shall also be transferred into IEPF.

In terms of the Rule 6(3) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the necessary communications have been made to the respective shareholders whose shares are required to be transferred to the IEPF during the Financial Year 2019-20 so as to enable them to claim their shares and the dividend attached to such shares before such dividend and shares are transferred to IEPF and further, the necessary information in this regard is available on the website of the Company i.e. www.raunaqinternational.com for the convenience of the shareholders.

The Equity shares once transferred into IEPF can only be claimed by the concerned shareholder from IEPF Authority after complying with the procedure prescribed under the Rules and the amended Rules.

M. Corporate Benefits

Dividend History:

Dividend on Equity Shares

Table-21

Financial Year	Rate (%)	Amount (₹ in Lacs)
2018-19	NIL	NIL
2017-18	NIL	NIL
2016-17	NIL	NIL
2015-16	12	40.12
2014-15	10	33.43

N. Office locations:

The Company's Registered Office is located at 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad-121003, Haryana.

O. Addresses for Correspondence:

For Share transfer/demat/remat of shares or any other query relating to shares:

Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Phone No. 011-41410592-94, Email: delhi@linkintime.co.in.

For Investor Assistance:

Mr. Sukhvir, Company Secretary & Compliance Officer, Raunaq EPC International Limited, 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad – 121003, Phone:0129-4288888 Fax No. 0129-4288822-23 Email: secretarial@raunaqintl.com.

11. OTHER DISCLOSURES

A. Related Party Transactions:

During the year 2018-19, there were no material individual transactions with related parties which are not in the normal course of business or are not on arm's length basis in terms of Regulation 23 of the Regulations. The statements in summary form of transactions with Related Parties in the ordinary course of business are placed periodically before the Audit Committee for its consideration and approval. All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters. The details of the Related Party Transactions during the year are given in the Notes forming part of financial statements.

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Regulation 23 of the Regulations and the same is available on the website of the Company i.e. www.raunaqinternational.com under the link http://www.raunaqinternational.com/pdf/related_party_transactions_policy.pdf.

B. Disclosure of Accounting Treatment in preparation of Financial Statements:

Raunaq EPC International Limited has followed the guidelines of Accounting Standards as mandated by the Central Government in preparation of its financial statements.

C. Risk Management Framework:

In pursuance to the Companies Act, 2013 and Regulation 17(9) of the Regulations, the Company has in place mechanisms to inform Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework.

A detailed note on Risk Management is given in the Management Discussion and Analysis section forming part of the Board's Report.

D. Management:

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 2018-19.

E. Compliance by the Company:

There were no instances of any non-compliance by the Company nor any penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the Capital Markets, during the last three years.

F. Whistle Blower Policy/Vigil Mechanism:

The Whistle Blower policy/Vigil Mechanism of the Company has been formulated as per Regulation 22 of the Regulations and Section 177 of the Companies Act, 2013. The policy provides a channel to the employees, Directors and any other person who avail such mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism of policy provides for adequate safeguards against victimization of employees, Directors and any other person who avails such mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy has been communicated to all the personnel of the Company and is available on the website of the Company i.e. www.raunaqinternational.com. Protected disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the Compliance Officer.

During the year, no unethical behavior has been reported. Further, the Company has not denied any personnel access to the Audit Committee and it will provide protection to Whistle Blower, if any, from adverse personnel action.

G. Policy on Preservation of Documents/ Archival Policy on Website Disclosure:

The Policy on Preservation of Documents/Archival Policy on Website Disclosure in accordance with the Regulation 9 and Regulation 30(8) of the Regulations respectively is in existence which provides the framework for preservation of documents and records of the Company for a specified period and the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same. This Policy aids the employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable

statutory and regulatory requirements. The said policy is available on the website of the Company i.e. www.raunaqinternational.com.

H. Policy on criteria for Determining Materiality of Events:

The Policy on criteria for Determining Materiality of Events has been framed in accordance with Regulation 30 of the Regulations which defines the criteria for determining the materiality of events or information related to the Company, provides that such information should be adequately disseminated in pursuance with the Regulations and further provides for the overall governance framework for such determination of materiality. The said policy is available on the website of the Company i.e. www.raunaqinternational.com.

I. CEO/CFO certification:

Certificate from Mr. Rajan Malhotra, Chief Executive Officer and Mr. Sachin Kumar Mittal, Chief Financial Officer in terms of Regulation 17(8) of the Regulations for the Financial Year ended 31 March, 2019 was placed before the Board of Directors of the Company in its meeting held on 22 May, 2019.

J. Code of Conduct and Corporate Ethics:

Code of Business Conduct and Ethics

Raunaq EPC International Limited believes that Good Corporate Governance is the key to the Conduct of Company's Business in a transparent, reliable and vibrant manner. It is of paramount importance for any Company to create an atmosphere of faith, integrity, accountability, responsibility and financial stability by adhering to commitment, ethical business conduct, a high degree of transparency thereby unlocking the individual intellectual capabilities and enabling its Board of Directors to conduct its duties under a moral authority, which ultimately leads to enhance legitimate needs and value of the stake holders. A copy of this code formulated in terms of Regulation 17 of the Regulations has been posted at Company's official website i.e. www.raunaqinternational.com

Code of Conduct for Prevention of Insider Trading

The Company has a comprehensive Code of Conduct for its Management, Staff and Directors for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down the guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company and cautioning them on the consequences of non-compliances. The pieces of the price sensitive information are disseminated to the Stock Exchange timely, adequately and promptly on continuous basis for prevention of Insider Trading. The Company Secretary has been appointed as Compliance Officer and is responsible for adherence to Code for

prevention of Insider Trading. A copy of same has been posted at the official website of the Company i.e. www.raunaqinternational.com.

K. Legal Compliance Reporting:

The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and regulations in terms of Regulation 17 of the Regulations. The Company has developed a very comprehensive Legal compliance manual, which drills down from the Senior Management Personnel to the executive-level person (who is primarily responsible for compliance) within the Company. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

L. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted Internal Complaints Committee (ICC) where any grievance of sexual harassment at workplace can be reported.

The Company has also adopted a policy on Prevention of Sexual Harassment at workplace. The objective of the policy is to provide its women employees, a workplace free from harassment/discrimination and every employee is treated with dignity and respect. The said policy is available on the website of the Company i.e. <http://www.raunaqinternational.com> under the link http://www.raunaqinternational.com/pdf/prevention_of_sexual_harassment.pdf.

During the Financial Year 2018-19, ICC of the Company has not received any complaint pertaining to sexual harassment of women at workplace.

Status of Complaints as on 31 March, 2019:

Table-22

No. of Complaints filed during Financial Year 2018-19	NIL
No. of Complaints disposed of during Financial Year 2018-19	Not Applicable
No. of Complaints pending as on 31 March, 2019	Not Applicable

M. Certificate of Non-disqualification of Directors:

Certificate from a Company Secretary in practice to the effect that none of the directors on the board of

the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

N. Fees paid to Statutory Auditor:

The details of fees paid by the Company to the Statutory Auditors of the Company and all entities in the network firm/network entity of which the statutory auditor are part for the Financial Year 2018-19 are as follows:

Table-23

Fees paid to Statutory Auditor ₹ lacs

Particulars	For the Year Ended 31 March, 2019
Statutory Audit Fee	3.10
Limited Review and other certifications	2.41
Reimbursement	0.33
Total	5.84

Fees paid to Network firm/network entity ₹ lacs

Particulars	For the Year Ended 31 March, 2019
NIL	NIL

O. Mandatory Requirements:

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations. Details of compliances are given below:

I. Disclosure on website in terms of Listing Regulations	Compliance status (Yes/No/NA)
Item	
Details of business	Yes
Terms and conditions of appointment of Independent Directors	Yes
Composition of various Committees of Board of Directors	Yes
Code of conduct of Board of Directors and Senior Management Personnel	Yes
Details of establishment of vigil mechanism/Whistle Blower policy	Yes
Criteria of making payments to Non-Executive Directors	Yes
Policy on dealing with Related Party Transactions	Yes
Policy for determining 'Material' subsidiaries	Yes
Details of familiarization programmes imparted to Independent Directors	Yes
Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances	Yes

Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the listed entity	Yes

II. Annual Affirmations

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent Director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of Directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholders' Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1), (2), (3), (4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1), (5), (6), (7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2), (3)	Yes
Approval for material Related Party Transactions	23(4)	NA
Composition of Board of Directors of unlisted Material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of Company	24(2), (3), (4), (5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to Code of Conduct from members of Board of Directors and Senior Management Personnel	26(3)	Yes

Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management	26(2) & 26(5)	Yes

P. Non-Mandatory Requirements:

The Company has set up a Finance Committee and Business Strategy Committee, details whereof are given in the Board Committee section of this report.

Q. Investor Relations:

The growing requirements of disclosure, transparency and corporate governance have made it imperative for Companies to manage information flow and communicate more effectively with shareholders. Investor Relations at REIL aims at seamless two way communication with the Investor Community. It is based on the tenets of transparency, accuracy and timeliness of disclosures. There is a conscious effort towards the effective dissemination of information to the shareholders to communicate the Company's long term vision and goals.

R. E-mail for investors:

The Company has designated secretarial@raunaqintl.com as e-mail address especially for investors' grievances.

SEBI has commenced processing of investor complaints in a centralised web based complaints redressal system i.e. SCORES. The Company has supported SCORES by using it as a platform for communication between SEBI and the Company.

S. Nomination facility:

The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed

Form SH-13 of the Companies (Share Capital and Debentures) Rules, 2014, to the Company's RTA. The said form can be obtained from the Company's RTA or downloaded from the Company's Website http://www.raunaqinternational.com/pdf/form_sh_13_nomination.pdf. The Shareholders who wish to change or cancel their nominations, if already made, may send their requests in prescribed Form SH-14 of the Companies (Share Capital and Debentures) Rules 2014, to the Company's RTA which can be obtained from the Company's RTA or downloaded from the Company's Website http://www.raunaqinternational.com/pdf/form_sh_14_variation-or-nomination.pdf. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility or further change in nominations.

T. Updation of Shareholders information:

The Shareholders of the Company are requested to intimate their latest Residential Address along with the details of their Shareholding in "Updation of Shareholder's Information Form" (which can be obtained from the Registered Office of the Company or downloaded from the Company's Website <http://www.raunaqinternational.com/pdf/proforma-for-updation-of-shareholders-information.pdf>). The duly filled form for Updation of information may either be sent to the Company at its Registered Office or be hand-delivered at the Annual General Meeting of the Company.

On Behalf of the Board of Directors



Surinder Paul Kanwar

Chairman and Managing Director

DIN:00033524

Place: New Delhi
Dated: 22 May, 2019

COMPLIANCE CERTIFICATE AS PER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We have reviewed financial statements and the cash flow statement for the year 2018-19 and that to the best of our knowledge and belief:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- 3) No transaction entered into by the Company during the above said period, which is fraudulent, illegal or violative of the Company's Code of Conduct.

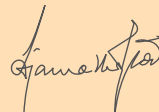
Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and we have disclosed to the Auditors and the Audit Committee, wherever applicable:

- 1) Deficiencies in the design or operation of internal controls, if any, which came to our notice and the steps we have taken or propose to take to rectify these deficiencies;
- 2) Significant changes in internal control over financial reporting during the year 2018-19;
- 3) Significant changes in accounting policies during the year 2018-19 and that the same have been disclosed in the notes to the financial statements;
- 4) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Raunaq EPC International Limited



Sachin Kumar Mittal
Chief Financial Officer



Rajan Malhotra
Chief Executive Officer

Place: New Delhi
Dated: 22 May, 2019

COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted "Code of Business Conduct and Ethics" pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations'). This code deals with the Good Governance and ethical Practices, which the Company, the Board members and the Senior Management of the Company are expected to follow.

It is hereby affirmed that during the year 2018-19, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

For Raunaq EPC International Limited



Sukhvir
Company Secretary



Surinder Paul Kanwar
Chairman and Managing Director

Place: New Delhi
Dated: 22 May, 2019

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS
*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
 (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

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

I have examined the relevant registers, records, forms, returns and disclosures of Raunaq EPC International Limited having CIN L51909HR1965PLC034315 and having registered office at 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad, 121003 Haryana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Surinder Paul Kanwar	00033524	21.06.1989
2.	Mr. Sachit Kanwar	02132124	23.03.2009
3.	Mr. Pradeep Kumar Mittal	00165315	31.07.2003
4.	Dr. Sanjeev Kumar	00364416	25.05.2006
5.	Ms. Seethalakshmi Venkataraman	07156898	28.03.2015
6.	Mr. Virendrakumar Pargal**	00076639	22.07.2010
7.	Mr. Nagar Venkatraman Srinivasan**	00879414	30.10.2006

** Resigned w.e.f. 19 April, 2019.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For AK JHA & ASSOCIATES
 COMPANY SECRETARIES**



(Anant Kumar)

Membership No. 7324

Certificate of Practice No.7834

Place: New Delhi
 Dated: 20 May, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance of the conditions of Corporate Governance by Raunaq EPC International Limited ('the Company') for the year ended 31 March, 2019, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended 31 March, 2019.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For AK JHA & ASSOCIATES
COMPANY SECRETARIES**



(Anant Kumar)

Place: New Delhi
Dated: 22 May, 2019

**Membership No. 7324
Certificate of Practice No.7834**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAUNAQ EPC INTERNATIONAL LIMITED

Report on the audit of the Standalone Financial Statements

We have audited the standalone financial statements of Raunaq EPC International Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and the statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that

are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31 March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the

requirements of section 197(16) of the Act, as amended:

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

- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;
 - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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



Sanjay Nath
Partner
Membership No.082700

Place: New Delhi
Date: 22 May, 2019

Annexure 'A' to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Raunaq EPC International Limited ("the Company") as of 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050



Sanjay Nath

Partner

Membership No.082700

Place: New Delhi

Date: 22 May, 2019

Annexure 'B' to the Independent Auditors' Report

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

- 1) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As informed, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the records of the Company, we report that the Company does not own any immovable property whether freehold or leasehold.
- 2) In respect of its inventories:
 - (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
 - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2018-19, and accordingly clauses (a), (b) and (c) of para (iii) of the order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act, in respect of the activities carried on by the Company.
- 7) (a) According to the information and explanations given to us, the Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2019 for a period of more than six months from the date they become payable.
- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050



Sanjay Nath

Partner

Membership No.082700

Place: New Delhi
Date: 22 May, 2019

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-Current assets			
Property, Plant and Equipment	3	504.49	595.62
Intangible Assets	4	16.80	24.42
Financial Assets			
a. Investments	5	1,987.19	1,981.18
b. Loans and Advances	6	5.93	6.13
c. Trade Receivables	7	2,299.03	2,427.89
d. Other Financial Assets	8	252.99	221.98
Deferred Tax Assets (Net)	9	264.49	172.40
Total Non-Current Assets		5,330.92	5,429.62
Current Assets			
Inventories	10	43.08	276.52
Financial Assets			
a. Trade Receivables	11	2,365.59	2,770.25
b. Cash and Cash Equivalents	12	149.80	144.27
c. Bank Balances other than (b) above	13	595.59	542.46
d. Loans and Advances	14	12.15	7.92
e. Other Financial Assets	15	14.29	13.39
Current Tax Assets	16	103.25	65.09
Other Current Assets	17	664.04	263.66
Total Current Assets		3,947.79	4,083.56
Total Assets		9,278.71	9,513.18
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	334.32	334.32
Other Equity	19	3,927.91	4,436.01
Total Equity		4,262.23	4,770.33
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	20	221.36	79.27
Provisions	21	58.54	109.61
Total Non-Current Liabilities		279.90	188.88
Current Liabilities			
Financial Liabilities			
a. Borrowings	22	366.18	466.22
b. Trade Payables	23	3,295.13	2,967.74
c. Other Financial Liabilities	24	307.31	282.51
Other Current Liabilities	25	600.54	704.91
Provisions	26	167.42	132.59
Total Current Liabilities		4,736.58	4,553.97
Total Liabilities		5,016.48	4,742.85
Total Equity and Liabilities		9,278.71	9,513.18
Significant accounting policies and notes to standalone financial statements	1-49		

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

For and on behalf of the Board of Directors

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

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

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Dr. Sanjeev Kumar (DIN: 00364416)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Directors

Sanjay Nath
Partner
Membership No. 082700

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Sachin Kumar Mittal
Chief Financial Officer
(PAN: BHYPM1475M)

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

Place: New Delhi
Date: 22 May, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Revenue from operations	27	4,627.58	4,221.29
Other income	28	577.01	336.08
Total revenue/income		5,204.59	4,557.37
EXPENSES			
a. Cost of material consumed	29	2,878.75	1,722.42
b. Employee benefits expenses	30	859.29	913.34
c. Finance cost	31	391.96	255.38
d. Depreciation and amortization expenses	32	80.37	87.35
e. Other expenses	33	1,620.78	1,737.26
Total expenses		5,831.15	4,715.75
Profit before tax		(626.56)	(158.38)
Income tax expenses			
a. Current tax		-	-
b. Tax expense related to prior period		-	11.87
Net current tax	35	-	11.87
Deferred tax-charge/(credit)	35	(98.94)	(71.36)
Total tax expense		(98.94)	(59.49)
Profit for the year		(527.62)	(98.89)
Other Comprehensive Income			
a. Items that may be reclassified to Profit and Loss			
Income tax effect		-	-
		-	-
b. Items that will not be reclassified to Profit and Loss			
Re-measurement gains/(losses) on defined benefit plan		26.38	30.79
Income tax effect		(6.86)	(9.51)
		19.52	21.28
Other Comprehensive Income for the Year (net of tax) (a+b)		19.52	21.28
Total Comprehensive Income for the year		(508.10)	(77.61)
Earning per Equity share of [Nominal value per share ₹ 10/- (31 March, 2018 : ₹ 10/-)]			
Basic earning per share	34	(15.78)	(2.96)
Diluted earning per share	34	(15.78)	(2.96)
Significant accounting policies and notes to standalone financial statements	1-49		

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

For and on behalf of the Board of Directors

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

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

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Dr. Sanjeev Kumar (DIN: 00364416)
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Rajiv Chandra Rastogi (DIN: 00035460)
Directors

Sanjay Nath
Partner
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Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Sachin Kumar Mittal
Chief Financial Officer
(PAN: BHYPM1475M)

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

Place: New Delhi
Date: 22 May, 2019

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	(626.56)	(158.38)
Adjustments for:		
Net gain on fair value of financial assets through statement of profit & loss	(6.01)	(154.28)
Expected credit loss	14.17	39.21
Depreciation and amortization	80.37	87.35
Loss on sale of Fixed Assets	5.93	16.78
Interest and other charges	391.96	255.38
Interest income	(56.49)	(60.91)
Investment written off	-	0.10
Profit on sale of asset	(3.18)	(0.05)
Operating profit before working capital changes	(199.81)	25.20
Changes in working Capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	390.49	1,013.80
Inventories	233.44	(235.54)
Long term loans & advances	0.20	-
Short term loans & advances	(4.23)	2.99
Non-current trade receivables	128.86	(1,483.60)
Other current financial assets	(0.90)	11.14
Other non-current financial assets	(31.01)	(111.37)
Other current assets	(438.54)	(70.10)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	327.39	92.47
Provisions	10.15	13.27
Other current liabilities	(76.73)	479.13
Cash generated from operations	339.31	(262.61)
Direct taxes paid (Net)	-	(11.87)
Net Cash from (used) operating activities	339.31	(274.48)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(3.35)	(149.43)
Sale of fixed assets	18.98	10.11
Interest received	56.49	60.91
Investment in deposits	(54.76)	355.26
Net Cash from/(used) in investment activities	17.36	276.85
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	165.00	116.80
Proceeds (repayments) from short term borrowings	(100.04)	50.50
Repayment of long term borrowings	(24.12)	(57.53)
Interest and other charges paid	(391.96)	(255.38)
Dividend including dividend distribution tax paid	(1.63)	(1.41)
Net Cash (used)/from financing activities	(352.75)	(147.02)
Net increase/(decrease) in cash and cash equivalents	3.92	(144.65)
Opening balance of cash and cash equivalents *	155.54	300.19
Closing balance of cash and cash equivalents *	159.46	155.54

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2019.... CONTD.

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Cash and cash equivalents as per above comprise of the following		
Cash on hand	0.74	1.18
Balance with scheduled banks:		
in current accounts	158.70	154.36
Cash and cash equivalents at the end of the year	159.44	155.54

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

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

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050

Surinder Paul Kanwar

Chairman and Managing Director

(DIN: 00033524)

Sachit Kanwar

Joint Managing Director

(DIN: 02132124)

Dr. Sanjeev Kumar (DIN: 00364416)

Seethalakshmi Venkataraman (DIN: 07156898)

Rajiv Chandra Rastogi (DIN: 00035460)

Directors

Sanjay Nath

Partner

Membership No. 082700

Rajan Malhotra

Chief Executive Officer

(PAN: AAEPM3206C)

Sachin Kumar Mittal

Chief Financial Officer

(PAN: BHYPM1475M)

Sukhvir

Company Secretary

(PAN: CKLPS9031G)

Place: New Delhi

Date: 22 May, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Amount
As at 31 March, 2018	18	334.32
Change in equity share capital		-
As at 31 March, 2019	18	334.32

B. Other Equity

Particulars	Notes	Reserves and Surplus				Total Other Equity
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance at 01 April, 2017		0.67	162.43	1,525.27	2,825.25	4,513.62
Profit for the year		-	-	-	(98.89)	(98.89)
Total comprehensive income for the year	19	0.67	162.43	1,525.27	2,726.36	4,414.73
Other transactions						
Remeasurement of defined benefit plans (net of tax)		-	-	-	21.28	21.28
Balance at 31 March, 2018	19	0.67	162.43	1,525.27	2,747.64	4,436.01
Balance at 01 April, 2018		0.67	162.43	1,525.27	2,747.64	4,436.01
Profit for the year		-	-	-	(527.62)	(527.62)
Total comprehensive income for the year	19	0.67	162.43	1,525.27	2,220.02	3,908.39
Other transactions						
Remeasurement of defined benefit plans (net of tax)		-	-	-	19.52	19.52
Balance at 31 March, 2019	19	0.67	162.43	1,525.27	2,239.54	3,927.91

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

For and on behalf of the Board of Directors

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

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

Sachit Kanwar
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(DIN: 02132124)

Dr. Sanjeev Kumar (DIN: 00364416)
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Chief Executive Officer
(PAN: AAEPM3206C)

Sachin Kumar Mittal
Chief Financial Officer
(PAN: BHYPM1475M)

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

Place: New Delhi
Date: 22 May, 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars
1. CORPORATE OVERVIEW	
	<p>Raunaq EPC International Limited ('the Company') is engaged in Engineering Contracting Business, established in 1965 and primarily in the service of core infrastructural and industrial sectors in India, namely Power, Chemical, Hydro-carbon, Metal and Automobile sectors. The Company is a Limited Company and has its Registered Office in Haryana, India. Its shares are listed on the BSE Limited. The Company has sufficient in-house resources in terms of Engineering, Manpower, Tools & Plants, and Technical know-how.</p> <p>These Standalone financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 22 May, 2019.</p>
2. SIGNIFICANT ACCOUNTING POLICIES	
	<p>This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.</p>
2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS	
a. STATEMENT OF COMPLIANCE	<p>The Standalone financial statements of the Company have been prepared in compliance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.</p>
b. These financial statements have been prepared on a historical cost basis except for the following:-	<ul style="list-style-type: none"> • Certain Financial Assets and liabilities measured at fair value. • Defined benefit plans - Plan assets measured at fair value.
c. New and amended standard adopted by the company.	<p>The Company has applied the following standards and amendments for the first time for annual reporting period commencing 01 April, 2018:</p> <ul style="list-style-type: none"> • Ind AS 115, Revenue from Contracts with Customers. • Amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates. <p>The Company had to change its accounting policies to adopt the Ind AS 115. The new and amended standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.</p>
2.2 FUNCTIONAL AND PRESENTATION CURRENCY	
	<p>These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all amount are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.</p>
2.3 USE OF ESTIMATES	
	<p>The preparation of financial statements in accordance with Ind AS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported account of assets, liabilities, income and expenses. Actual results may differ from these estimates.</p> <p>Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialized.</p>
2.4 REVENUE RECOGNITION	
a. REVENUE FROM CONSTRUCTION CONTRACT	<p>Company is providing EPC services to its customer under the fixed price contract. Contract Revenue is recognised in the year in which the services are rendered. In fixed price contract, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual work done approved by the customer.</p>

Note	Particulars
	<p>Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.</p> <p>When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.</p> <p>Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured and received from customer. The comparative information in the statement of profit and loss is not restated for year ended 31 March, 2018 – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 2.4 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended 31 March, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11.</p>
b.	OTHER ITEMS OF REVENUE
	<p>Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate method.</p> <p>Dividend income is recognised when the company's right to receive the payment is established.</p> <p>Other items like extra items claim, insurance claims, any receipts on account of pending income tax, sales tax, GST and excise duty assessments, where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.</p>
2.5	PROPERTY, PLANT AND EQUIPMENT
	<p>Property, Plant and Equipment assets are carried at cost net of tax/duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.</p> <p>Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.</p> <p>The items of property, plant and equipment which are not yet ready for use are disclosed as Capital work-in-progress and are carried at historical cost.</p> <p>An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.</p> <p>Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.</p> <p>Gain and losses on disposal or retirement of assets are determined by comparing proceeds with carrying amount. These are recognised in the Statement of Profit and Loss.</p> <p>Transition to Ind AS</p> <p>On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.</p> <p>Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful life prescribed in Schedule II to the Act, which are also supported.</p> <p>The residual values are not more than 5% of the original cost of the asset.</p> <p>The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at end of each financial year and any changes there-in are considered as change in estimate and accounted prospectively.</p>
2.6	INTANGIBLE ASSETS (OTHER THAN GOODWILL)
	<p>Intangible assets (Computer Software) are stated at cost less accumulated amortization and impaired loss, if any. Computer Software for internal use which is primarily acquired is capitalized. Subsequently, costs associated with</p>

Note	Particulars
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maintaining such software are recognised as expense as incurred. Cost of software includes licenses fees, cost of implementation, system integration services etc. where applicable.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets (Computer Software) recognised as at 01 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

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

2.7 IMPAIRMENT OF ASSETS

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

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

2.8 INVENTORIES

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

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

2.9 FOREIGN CURRENCY TRANSACTIONS

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

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

2.10 EARNING PER SHARE

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

2.11 BORROWING COSTS

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

Note	Particulars
	Finance costs will normally include:
	i) interest expense calculated using the effective interest rate method as described in Ind AS 109.
	ii) the unwinding of the effect of discounting provisions.

2.12 PROVISIONS AND CONTINGENT LIABILITIES

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

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

2.13 DIVIDEND

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

2.14 CASH AND CASH EQUIVALENTS

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

2.15 EMPLOYEE BENEFITS

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

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

2.16 LEASES

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

Note	Particulars
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2.17 INCOME TAXES

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

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

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

2.18 FINANCIAL INSTRUMENTS

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

a. Financial AssetsInitial recognition and measurement

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

Subsequent measurement

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

Derecognition

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

Impairment of Financial Assets

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

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

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

b. Financial LiabilitiesInitial recognition and measurement

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

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

2.19 SEGMENT REPORTING

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

2.20 CRITICAL ESTIMATES AND JUDGEMENTS

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

The areas involving critical estimates or judgement are:

i Critical estimates

- Measurement of defined benefit obligations – Note 45
- Estimated useful life of intangible assets, property, plant and equipment – Note 2.5 and 2.6
- Estimated fair value of financial instruments – Note 47
- Recognition of revenue – Note 2.4
- Provision for expected credit losses – Note 40

ii Significant Judgements

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

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3 : Property, Plant & Equipment

Particulars	Plant and Machinery	Tractor	Office Equipment	Furniture and Fixtures	Electricals Fittings	Vehicles	Computers	Total
As at 31 March, 2018								
Gross carrying amount								
Opening gross carrying amount	477.98	0.08	1.88	36.13	0.28	66.31	19.15	601.82
Addition	10.61	-	0.79	0.39	0.19	135.21	2.16	149.33
Disposals/transfers	45.76	-	-	-	-	0.75	0.25	46.76
Closing gross carrying amount	442.82	0.08	2.67	36.52	0.47	200.77	21.06	704.39
Accumulated depreciation								
Opening accumulated depreciation	38.27	-	0.98	3.19	0.03	6.29	5.17	53.92
Depreciation charged during the year	42.16	-	0.32	4.46	0.03	23.91	3.97	74.85
Disposals/transfers	19.19	-	-	-	-	0.57	0.24	20.00
Closing accumulated depreciation	61.24	-	1.30	7.65	0.06	29.62	8.90	108.76
Net carrying amount	381.58	0.08	1.37	28.87	0.42	171.15	12.16	595.62
As at 31 March, 2019								
Gross carrying amount								
Opening gross carrying amount	442.82	0.08	2.67	36.52	0.47	200.77	21.06	704.39
Addition	3.16	-	-	0.11	-	-	0.08	3.35
Disposals/transfers	34.55	-	-	13.46	-	-	0.04	48.05
Closing gross carrying amount	411.43	0.08	2.67	23.17	0.47	200.77	21.10	659.69
Accumulated depreciation								
Opening accumulated depreciation	61.25	-	1.30	7.65	0.06	29.62	8.90	108.77
Depreciation charged during the year	39.83	-	0.14	3.52	0.04	25.81	3.40	72.75
Disposals/transfers	18.78	-	-	7.50	-	-	0.04	26.32
Closing accumulated depreciation	82.30	-	1.44	3.67	0.10	55.43	12.26	155.20
Net carrying amount	329.13	0.08	1.23	19.50	0.37	145.34	8.84	504.49

Note 4 : Intangible Assets

Particulars	Software	Total
As at 31 March, 2018		
Gross carrying amount		
Opening gross carrying amount	45.74	45.74
Addition	-	-
Disposals/transfers	-	-
Closing gross carrying amount	45.74	45.74
Accumulated depreciation		
Opening accumulated depreciation	8.83	8.83
Depreciation charged during the year	12.49	12.49
Disposals/transfers	-	-
Closing accumulated depreciation	21.32	21.32
Net carrying amount	24.42	24.42
As at 31 March, 2019		
Gross carrying amount		
Opening gross carrying amount	45.74	45.74
Addition	-	-
Disposals/transfers	-	-
Closing gross carrying amount	45.74	45.74
Accumulated depreciation		
Opening accumulated depreciation	21.32	21.32
Depreciation charged during the year	7.62	7.62
Disposals/transfers	-	-
Closing accumulated depreciation	28.94	28.94
Net carrying amount	16.80	16.80

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 5 : Non-current Investments

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investment in Equity Instruments		
A. Investments in Subsidiary Company (At cost)		
Unquoted		
1,48,77,038 (31 March, 2018 : 1,48,77,038) Equity shares of ₹ 10/- each fully paid up in Xlerate Driveline India Ltd.	1,487.70	1,487.70
Sub-total	1,487.70	1,487.70
B. Investment in Others		
Quoted		
At fair value through profit and loss (FVPL) 2,93,300 (31 March, 2018: 2,93,300) Equity shares of ₹ 10/- each fully paid up in Bharat Gears Ltd.	499.49	493.48
Sub-total	499.49	493.48
Total	1,987.19	1,981.18
Aggregate amount of Quoted Investments and market value thereof	499.49	493.48
Aggregate amount of Unquoted Investments	1,487.70	1,487.70

Note 6 : Non-current Loans and Advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposit		
Unsecured, considered good*	5.93	6.13
Total	5.93	6.13

* ₹ 5.00 lacs is given under protest against excise matter disputed in High Court.

Note 7 : Non-current Trade Receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables including retention money	2,299.03	2,427.89
Trade receivables which have significant increase in credit risk	76.51	62.33
Trade receivables - credit impaired	(76.51)	(62.33)
Total	2,299.03	2,427.89

Note 8 : Other Non-current Financial assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Long term deposits with banks with maturity period more than 12 months	252.99	221.98
Refer (a) below		
Total	252.99	221.98

(a) ₹ 252.99 Lakhs (31 March, 2018 : ₹ 221.98 Lakhs) held as Margin money against bank guarantees.

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at 31 March, 2019	(Charged)/ credit during the year	As at 31 March, 2018
Deferred tax assets on account of:			
a) Provision for doubtful advances	0.14	(0.03)	0.17
b) Provision for Excise Duty	-	(13.99)	13.99
c) Employees Benefits	24.12	(7.34)	31.45
d) Current year Income Tax Losses	232.35	128.31	104.04
e) Unabsorbed Depreciation	40.56	14.59	25.97
f) Expected Credit Loss (ECL)	19.89	0.63	19.26
Total deferred tax assets	317.06	122.17	194.88
MAT credit entitlement			
Deferred tax liabilities on account of:			
a) Difference between book and tax depreciation	(15.90)	6.58	(22.48)
b) Income on Fair valuation of shares of Bharat Gears Limited	(36.67)	(36.67)	-
Total deferred tax liabilities	(52.57)	(30.09)	(22.48)
Total deferred tax (net)	264.49	92.08	172.40

Note 10 : Inventories

Particulars	As at 31 March, 2019	As at 31 March, 2018
At lower of cost and net realisable value		
Stock-in trade-traded goods	43.08	136.10
Work-in progress	-	140.42
Total	43.08	276.52

Note 11 : Current Trade Receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured considered good, unless otherwise stated		
Trade receivables	2,365.59	2,770.25
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	2,365.59	2,770.25

Note 12 : Cash and Cash Equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance with Banks		
In current account	149.06	143.09
Cash on hand	0.74	1.18
Total	149.80	144.27

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 13 : Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
Other Balances		
Earmarked balances with banks for:		
Unpaid Dividends	9.64	11.27
Fixed deposits with various authorities		
Margin money against bank guarantees and others	585.95	531.19
Total	595.59	542.46

Note 14 : Current Loans and Advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, Considered good		
Security Deposits	3.80	3.32
Loans and advances to employees	8.35	4.60
Total	12.15	7.92

Note 15 : Other Current Financial Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Accrued Interest on Deposits with Banks and Others	14.29	13.39
Total	14.29	13.39

Note 16 : Current Tax Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current Tax Assets (net of provision)	103.25	65.09
Total	103.25	65.09

Note 17 : Other Current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured considered good		
Prepaid expenses	93.42	119.12
Advances recoverable in cash or in kind or for value to be received	570.62	143.27
Others	-	1.27
Unsecured considered doubtful		
Advances recoverable in cash or in kind or for value to be received	0.54	0.54
Less: Allowance for doubtful debt	(0.54)	(0.54)
Total	664.04	263.66

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 18 : Equity Share Capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorized:				
Equity shares of ₹ 10 each (31 March, 2018 ₹ 10 each)	35,000,000	3500.00	35,000,000	3500.00
Issued, Subscribed and Paid-up:				
Equity shares of ₹ 10 each (31 March, 2018 ₹ 10 each)	3,343,243	334.32	3,343,243	334.32
Total		334.32		334.32

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

Issue of Bonus Shares

During the financial year ended 31 March, 2014, the Company had issued 20,05,946 Equity Shares of ₹ 10/- each as fully paid up Bonus Shares after capitalization of General Reserves of ₹ 200.59 lakhs to shareholders in proportion of their shareholding.

Apart from the issue of bonus shares as mentioned above, the Company has not allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

Reconciliation of Shares Issued

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

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	% of holding in that class of shares	No. of Shares	% of holding in that class of shares
Mr. Surinder Paul Kanwar	1,466,695	43.87	1,466,695	43.87
Gulab Merchandise Private Limited	-*	-*	644,825	19.29
Strategic Capital Partners Private Limited	264,028	7.89	-	-
Mr. Soham Ashokkumar Shah	235,972	7.05	-	-

* Holding Less than 5% of Equity Share Capital of the Company.

Note 19 : Other Equity

Particulars	Refer following items	As at 31 March, 2019	As at 31 March, 2018
Capital Reserve	19(a)	0.67	0.67
Securities Premium Reserve	19(b)	162.43	162.43
General Reserve	19(c)	1,525.27	1,525.27
Retained Earnings	19(d)	2,239.54	2,747.64
Total		3,927.91	4,436.01

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a Capital Reserve-Balance at the beginning and end of the year	0.67	0.67
b Securities Premium Reserve-Balance at the beginning and end of the year	162.43	162.43
c General Reserve		
Balance at the beginning of the year	1,525.27	1,525.27
Add: Transferred from Retained Earnings	-	-
Balance at the end of the year	1,525.27	1,525.27
d Retained Earnings		
Balance at the beginning of the year	2,747.64	2,825.25
Profit for the year	(527.62)	(98.89)
Remeasurement of defined benefit plans (net of tax)	19.52	21.28
Balance at the end of the year	2,239.54	2,747.64
Total	3,927.91	4,436.01

Nature and purpose of Reserves

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

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

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

Note 20 : Non-current Borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
Secured borrowings		
Term loans from Banks	56.36	79.27
Unsecured borrowings		
Loan from Corporates	165.00	-
Total	221.36	79.27

Note:

- 1 Term Loan from Banks ₹ 56.36 Lakhs (31 March, 2018 : ₹ 79.27 Lakhs) was secured by way of hypothecation/ exclusive charge on assets financed. Repayable along with interest at the rate of 8% p.a. in 60 monthly installments financed by HDFC Bank Ltd.
- 2 Loan from Corporates: Repayable upto 5 years and interest is charged at the rate of 9% p.a.

Note 21 : Non-current Provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits		
Provision for compensated absences	58.54	64.34
Provision-others		
Provision for excise duty	-	45.27
Total	58.54	109.61

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 22 : Current Borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
Secured Borrowings		
Working capital loans repayable on demand from		
Bank - Cash credit (CC)	366.18	466.22
Total	366.18	466.22

Working capital loans repayment on demand from banks

Working capital loan from Banks are secured by first charge by way of hypothecation on entire current assets including stock, stores, trade receivables etc., and also 1st charge by way of hypothecation on movable fixed assets (other than those which are exclusively charged in favour of the respective lenders) ranking pari passu amongst the Banks on the point of security.

Note 23 : Trade Payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of Trade Payable other than micro enterprises and small enterprises	3,295.13	2,967.74
Total	3,295.13	2,967.74

There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED.

No amount of interest accrued and remaining unpaid at the end of the year and no amount of further interest remaining due and payable in succeeding years.

The above information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

Note 24 : Other Current Financial Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current maturities of long-term debt (Refer Note 20)	22.91	24.12
Unclaimed dividend	9.64	11.27
Employee Dues	218.46	199.34
Creditors for expenses	53.29	47.78
Interest payable	3.01	-
Total	307.31	282.51

Note 25 : Other Current Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Statutory dues	198.24	33.95
Contractually reimbursable expenses	26.43	18.50
Contract mobilization advances from customers	375.87	652.46
Total	600.54	704.91

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 26 : Current Provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits		
Provision for compensated absences	34.21	38.72
Provision for Gratuity	7.79	-
Provision-others		
Provision for other outstanding liabilities	125.42	93.87
Total	167.42	132.59

Note 27 : Revenue from Operations

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Sales of service (service contracts/supply contracts)	4,627.58	4,221.29
Total	4,627.58	4,221.29

Note 28 : Other Income

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Interest income	56.49	60.91
Net gain/(loss) on fair value of financial assets through statement of Profit & Loss (FVPL)	6.01	154.28
Amount received from revenue authorities	427.04	-
Other non-operating income	87.47	120.89
Total	577.01	336.08

Note 29 : Cost of Materials Consumed

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Opening stock	136.10	34.56
Add: Purchases during the year	2,785.73	1,823.96
Less: Closing stock	43.08	136.10
Net material consumed	2,878.75	1,722.42
Total	2,878.75	1,722.42

Note 30 : Employee Benefits Expenses

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
a. Salaries and wages	713.84	767.93
b. Contributions to provident and other fund	53.20	54.56
c. Gratuity fund contribution-(Refer note 37)	54.82	29.48
d. Staff welfare expenses	37.43	61.37
Total	859.29	913.34

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 31 : Finance Cost

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
a. Interest expenses on:		
Borrowings	227.35	110.89
b. Other borrowing costs	164.61	144.49
(Bank and other financial charges)		
Total	391.96	255.38

Note 32 : Depreciation and Amortization Expenses

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Depreciation of property, plant and equipment	72.75	74.86
Amortization of intangible assets	7.62	12.49
Total	80.37	87.35

Note 33 : Other Expenses

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Consumption of stores and spare parts	229.63	63.43
Erection expenses	831.90	528.63
Power and fuel	15.75	26.76
Hire charges	70.12	16.89
Travelling & conveyance	84.19	105.77
Rent	46.40	47.16
Repairs and maintenance - Machinery	8.06	13.23
Insurance	18.72	19.37
Rates and taxes	20.05	64.67
Freight and forwarding	124.71	77.52
Payments to auditors (Refer Note (i) below)	4.30	5.63
Loss on fixed assets sold	7.64	16.78
Legal & professional charges	68.30	100.07
Expected credit loss (ECL)	14.17	39.21
Bad debt written off	-	526.58
Miscellaneous expenses	76.84	85.56
Total	1,620.78	1,737.26

Auditors' Remuneration paid/payable for the year

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Statutory audit fee	2.50	2.50
Limited review and other certifications	1.61	2.91
Reimbursement	0.19	0.23
Total	4.30	5.64

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 34 : Earning Per Share

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Weighted average number of equity shares outstanding	3,343,243	3,343,243
Profit after tax available for shareholders	(527.62)	(98.89)
Basic & diluted earning per share	(15.78)	(2.96)
Nominal value per share	10.00	10.00

Note 35 : Tax Reconciliation

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

Income Tax Expenses

This note provides an analysis of the Company's income tax expenses that how the tax expenses are affected by non-assessable and not-deductible items:

Particulars	2018-19	2017-18
Income Tax Expenses		
Current tax for the year	-	-
Adjustment for current tax of prior period	-	11.87
Total current expenses	-	11.87
Deferred tax		
Increase/(Decrease) in deferred tax assets	129.03	69.76
(Increase)/Decrease in deferred tax liabilities	(30.09)	1.60
Total deferred tax Income/(Expenses)	98.94	71.36
Income tax expenses	(98.94)	(59.49)

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

Particulars	2018-19	2017-18
Profit before income taxes	(626.56)	(158.38)
Enacted tax rate in India (%)	26.00%	30.90%
Computed expected tax expenses	-	-
Tax effect due to non-taxable income for Indian tax purposes	(1.56)	(47.67)
Tax reversals	-	11.87
Effect of non-deductible expenses	3.68	12.12
Others	(101.06)	(35.80)
Income tax expenses	(98.94)	(59.49)

Note 36 : Disclosure required pursuant to Ind AS -36 "Impairment of assets"

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

Note 37 : Operating Segment information

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 38 : Contingent Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Contingent liabilities		
a. Guarantees/Letter of Credit given by the banks which are counter guaranteed by the Company and secured against Fixed and Current Assets	4,045.69	4,269.32
b. Guarantee given to bank on behalf of subsidiary Company	206.23	207.57
c. Others where Company had gone in to appeals before appropriate authorities:		
-Sales Tax	20.29	9.74
-Income Tax	-	1.74
d. Corporate guarantee	243.97	-
Total	4,516.18	4,488.37

Note 39 : Capital Management

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

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

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

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Equity Share Capital	334.32	334.32
Other Equity	3,927.91	4,436.01
Total Equity	4,262.24	4,770.33
Long Term Debt	244.27	103.39
Debt to Equity Ratio	0.06	0.02

Note 40 : Financial Risk Management Objectives and Policies

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

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

Market risk:

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

Interest rate risk:

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Exposure to interest rate risk

Particulars	As at 31 March, 2019	As at 31 March, 2018
Floating rate borrowings: Working capital loan	55.87	55.86
Total	55.87	55.86

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
50 bp increase - Decrease in profit	2.20	2.50
50 bp decrease - Increase in profit	(2.20)	(1.63)

Credit risk:

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

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

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

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

(i) Provision for expected credit losses:

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

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

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

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

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

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Receivables (Gross)	4,741.13	5,260.47
Less: Expected Credit Loss	(76.51)	(62.33)
Trade Receivables (Net)	4,664.62	5,198.14

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 6,194.86 Lakhs as at 31.03.2019 and ₹ 6627.77 Lakhs as at 31.03.2018, which is the carrying amounts of cash and cash equivalents, other bank balances, investments (other than equity investments in subsidiary), trade receivables, loans and other financial assets.

Liquidity risk

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

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

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

As at 31 March, 2019

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	389.09	221.36	-	610.45
Trade Payables	3,295.13	-	-	3,295.13
Other Financial Liabilities	284.40	-	-	284.40
Total	3,968.62	221.36	-	4,189.98

As at 31 March, 2018

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	490.34	79.27	-	569.61
Trade Payables	2,967.74	-	-	2,967.74
Other Financial Liabilities	258.39	-	-	258.39
Total	3,716.47	79.27	-	3,795.74

Note 41 : Corporate Social Responsibility

- (i) Gross amount required to be spend by the Company during the F.Y. 2018-19 is ₹ 6.07 Lakhs
- (ii) Amount spent during the financial year 2018-19 : Nil

Note 42 : Lease Payment

Operating lease payments recognised in Statement of Profit and Loss for the year are as follows:-

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Car lease Rent	-	3.02

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 43 : Expenditure in Foreign Currency

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Other matter (Travel)	-	2.07

Note 44 : Details of Consumption of Imported and Indigenous Items

Particulars	For the year ended 31 March, 2019	
	Amount (₹ in lacs)	percentage (%)
Imported		
(i) Raw Material	-	-
(ii) Stores, Spares, tools & tackles	-	-
Indigenous		
(i) Raw Material	2,878.75 (1,722.42)	100.00 (100.00)
(ii) Stores, Spares, tools & tackles	229.63 (63.43)	100.00 (100.00)
Total	3,108.38 (1,785.85)	

figures in brackets are for the previous year.

Note 45 : Employee Benefits
a) Defined Contribution Plans

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

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

Particulars	2018-19	2017-18
Contribution to Provident Fund and Family Pension Fund	41.14	40.95
Contribution to Superannuation Fund	5.70	5.41

b) Post Employment Defined Benefit Plans

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

c) Other Long Term Employee Benefit Plan

Leave Encashment Scheme [LES] (Unfunded)

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

(All amounts in ₹ Lakhs, unless otherwise stated)

d) Risk Exposure

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

Discount Risk

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

Salary Escalation Risk

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

Demographic Risk

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

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

Particulars	Gratuity Funded	
	2018-19	2017-18
Components of employee expenses		
Current service cost	6.07	7.83
Past service cost	-	18.36
Interest cost	8.79	8.14
Expected return on plan assets	(8.39)	(7.82)
Total expenses recognised in the Profit & Loss Statement	6.47	26.51
Cumulative unrecognised actuarial (gain)/loss opening B/F	(30.79)	(16.78)
Actuarial (gain)/loss-Obligation	3.57	-
Actuarial (gain)/loss-plan assets	0.84	(14.01)
Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses	(26.38)	(30.79)
Actual Contribution & Benefits payment for the year	2018-19	2017-18
Actual benefits payments	33.03	9.15
Actual contributions	9.63	1.10
Net assets/(liability) recognised in the Balance Sheet	2018-19	2017-18
Present value of Defined Benefit Obligation	100.13	113.37
Fair value of Plan Assets	92.35	114.64
Funded Status [Surplus/(Deficit)]	(7.79)	1.27
Net assets/(liability) recognised in the Balance Sheet	(7.79)	1.27
Change in Defined Benefits Obligation during the year	2018-19	2017-18
Present value of Defined Benefit Obligation as at the beginning of the year	113.37	104.97
Current service cost	6.07	7.83
Past service cost	(30.79)	18.36
Interest Cost	8.79	8.14
Actuarial Losses/(Gains)	(30.34)	(16.78)
Benefits paid	33.03	(9.15)
Present value of Defined Benefits Obligation as at the end of the year	100.13	113.37

(All amounts in ₹ Lakhs, unless otherwise stated)

Change in Fair value of the Plan Assets during the year	2018-19	2017-18
Plan Asset as at the beginning of the year	114.64	100.86
Actuarial Adjustment	(6.44)	-
Expected return on the Plan Assets	8.39	7.82
Actual Company contributions	9.63	1.10
Actuarial (Losses)/Gains	(0.84)	14.01
Benefits paid	(33.03)	(9.15)
Plan Asset as at the end of the year	92.35	114.64
Actuarial Assumptions	2018-19	2017-18
Discount rate	7.75%	7.75%
Expected return on plan assets	7.75%	7.75%
Withdrawal rate (per annum) (18 to 30 years)	5.00%	5.00%
Withdrawal rate (per annum) (30 to 44 years)	3.00%	3.00%
Withdrawal rate (per annum) (44 to 60 years)	2.00%	2.00%
Salary escalation rate	5.00%	5.00%

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

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

The major categories of plan assets as a percentage of the total plan assets	2018-19	2017-18
Insurer Managed Funds	100%	100%
Experience Adjustments	2018-19	2017-18
Present value of Defined Benefit Obligation as at the end of the year	100.13	113.37
Fair value of plan assets as at the end of the year	92.35	114.64
Funds Status [Surplus/(Defined)]	(7.79)	1.27
Experience adjustment of Plan Liabilities	2.31	2.31
Experience adjustment of Plan Asset	92.35	114.64

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

Sensitivity Analysis for significant assumptions as on 31.03.2019 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.13)	4.71	3.76	(3.24)	0.84	0.95

Sensitivity Analysis for significant assumptions as on 31.03.2018 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.91)	5.76	4.92	(4.18)	1.27	(1.46)

The Company expects to contribute ₹ 7.48 Lakhs (Previous year ₹ 8.90 Lakhs) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2019 is 11 years (as at 31.03.2018: 12 years).

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	(₹ in lacs)
01 April, 2019 to 31 March, 2020	41.46
01 April, 2020 to 31 March, 2021	8.30
01 April, 2021 to 31 March, 2022	14.04
01 April, 2022 to 31 March, 2023	11.45
01 April, 2023 to 31 March, 2024	4.19
01 April, 2024 onwards	48.96

Note 46 : Related Party Disclosures

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

(a) Where control exists:

Xlerate Driveline India Limited (XDIL)

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

Bharat Gears Limited (BGL)

Vibrant Finance & Investment Private Limited (VFIPL)

Ultra Consultants Private Limited (UCPL)

Future Consultants Private Limited (FCPL)

Cliplok Simpak (India) Private Limited (CSIPL)

Samreet Investment & Management Consultancy Private Limited (SIMCPL)

Gulab Merchandise Private Limited (GMPL)

(c) Key managerial personnel:

Mr. Surinder Paul Kanwar - Chairman & Managing Director

Mr. Sachit Kanwar - Joint Managing Director

Dr. Sanjeev Kumar - Non-Executive Independent Director

Mr. Pradeep Kumar Mittal - Non-Executive Independent Director

Mr. V.K. Pargal - Non-Executive Independent Director

Mr. Gautam Mukherjee - Non-Executive Independent Director (upto 24.08.2018)

Mr. Nagar Venkatraman Srinivasan - Non-Executive Director

Mrs. Seethalakshmi Venkataraman - Non-Executive Independent Director

Details of transactions with the related parties

Particulars	Where control exists		Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Transaction during the year						
Reimbursement of expenses (net)						
XDIL	6.60	-	-	-	-	-
Rent Paid						
BGL	-	-	11.77	12.21	-	-
VFIPL	-	-	4.80	4.98	-	-
Electricity Charges paid						
VFIPL	-	-	2.30	0.91	-	-
Interest Payment						
VFIPL	-	-	0.37	-	-	-
Loan Repaid						
VFIPL	-	-	21.00	-	-	-
Loan Taken						
VFIPL	-	-	21.00	-	-	-
Managerial remuneration						
Mr. Surinder Paul Kanwar	-	-	-	-	*	*
Mr. Sachit Kanwar	-	-	-	-	93.05	93.05
Mr. Sanjeev Kumar	-	-	-	-	1.05	1.00
Mr. Pradeep Kumar Mittal	-	-	-	-	1.15	1.25
Mr. V.K. Pargal	-	-	-	-	0.85	0.85

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Where control exists		Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Transaction during the year						
Managerial remuneration						
Mr. Gautam Mukherjee	-	-	-	-	0.25	0.65
Mrs. Seethalakshmi Venkataraman	-	-	-	-	0.30	0.55
Mr. Satya Prakash Mangal	-	-	-	-	-	1.05
Mr. Nagar Venkatraman Srinivasan	-	-	-	-	0.30	0.40
Professional Charges						
Mr. Pradeep Kumar Mittal	-	-	-	-	-	1.96
Balances at the end of the year	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Corporate Guarantee given to bank for credit limit sanctioned						
XDIL	405.00	405.00	-	-	-	-
Balance Payable/(receivable)						
XDIL	7.06	-	-	-	-	-
BGL	-	-	11.65	3.18	-	-
VFIPL	-	-	9.11	2.73	-	-
Mr. Sachit Kanwar	-	-	-	-	27.48	15.34
Guarantee given for credit limits taken by Company						
VFIPL	-	-	4,297.00	6,583.00	-	-
Mr. Surinder Paul Kanwar	-	-	-	-	4,798.00	7,133.00

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

Note 47 : Financial Instruments

Particulars	Notes	31 March, 2019			31 March, 2018		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets							
Investment							
Equity Shares (Quoted)	5	499.49	-	-	493.48	-	-
Equity Shares (Unquoted)	5	-	-	5.93	-	-	1,487.70
Loans and Advances	6,14	-	-	18.08	-	-	14.05
Trade Receivables	7,11	-	-	4,664.62	-	-	5,198.14
Cash and Bank Balances	12,13	-	-	745.39	-	-	686.73
Other Financial Assets	8,15	-	-	267.28	-	-	235.37
Total Financial Assets		499.49	-	5,701.30	493.48	-	7,621.99
Financial Liabilities							
Borrowings	20,22	-	-	587.54	-	-	545.49
Trade Payables	23	-	-	3,295.13	-	-	2,967.74
Other Financial Assets	24	-	-	307.31	-	-	282.51
Total Financial Liabilities		-	-	4,189.98	-	-	3,795.74

Fair Value Hierarchy

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

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

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

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

(All amounts in ₹ Lakhs, unless otherwise stated)

i) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2019

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in:					
Equity Instruments	5	499.49	-	-	499.49

ii) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2018

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investment in:					
Equity Instruments	5	493.48	-	-	493.48

During the year ended 31.03.2018, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Note 48 : Recent Accounting Pronouncements

In March 2019, the Ministry of Corporate Affairs issued Companies (Indian Accounting Standards) Amendments Rules, 2019, notifying the following Ind AS/amendments which is effective from annual period beginning on or after 01 April, 2019:

a) Ind AS 116 – Leases

This new Ind AS replaces the existing standard Ind AS 17 'Leases'. The core requirement under Ind AS 116 for lessee is to recognize the asset for the right of use received and liability for the obligations under each lease contract for lease term (as defined under Ind AS 116) except for short period leases or low value leases.

b) Amendment to Ind AS 103 – Business Combinations

Amendment provides additional guidance for accounting in case of a party to the joint operation achieved control over joint operation. Such transaction is required to be accounted like the business combination achieved in stages.

c) Amendment to Ind AS 109 – Financial Instruments

Notes Forming Part of Standalone Financial Statements; Amendment provides additional guidance in relation to prepayment features with reasonable compensation that changes the contractual cash flow. Amendment also provides the transitional provision in Ind AS 109 as a consequence of issuance of guidance on prepayment features with negative compensation.

d) Amendment to Ind AS 111 – Joint Arrangements

As per the amendment, a party participating in joint operation but does not have joint control shall not re-measure its previously held interest in a joint operation (which constitutes a business) while attaining joint control over joint operation on acquisition of additional interest or otherwise.

e) Amendment to Ind AS 12 – Income Taxes

As part of amendment, Appendix C 'Uncertainty over Income Tax Treatments' has been inserted in the standard which clarifies the recognition and measurement requirements of Ind AS 12 in case of uncertainty over income tax treatment and reflect the effect of such uncertainty in accounting treatment.

f) Amendment to Ind AS 19 – Employee Benefits

The standard is amended to provide the guidance for measurement of defined benefit obligation in case of plan amendment, curtailment or settlement.

g) Amendment to Ind AS 23 – Borrowing Cost

The amendment clarifies that borrowing cost applicable to borrowing made specifically for the purpose of obtaining a qualifying asset shall be excluded while determining general capitalization rate only till substantially all the activities necessary to prepare that specific asset for its intended use or sale are completed.

h) Amendment to Ind AS 28 – Investments in Associates and Joint Ventures

The amendment clarifies that an entity first applies Ind AS 109 'Financial Instruments' to other financial Instruments (long-term interests in associates and joint ventures) before taking into account its share of profit or loss of an associate or joint venture under Ind AS 28. Consequently, in applying Ind AS 109, an entity does not take account

of any adjustments to the carrying amount of long-term interests under Ind AS 28. The Company does not have any interest in associate or joint venture therefore the amendment will not have any effect on the Company's financial statements. These Ind AS/Amendments are applicable to the Company from 01 April, 2019. The Company is evaluating the effects of the new Ind AS/amendments on its financial statements.

The core requirement under Ind AS 116 for lessee is to recognize the asset for the right of use received and liability for the obligations under each lease contract for lease term (as defined under Ind AS 116) except for short period leases or low value leases.

Note 49: Previous year's figures are reclassified, where necessary, to conform to the current year's classification.

For and on behalf of the Board of Directors

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

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

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Dr. Sanjeev Kumar (DIN: 00364416)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Directors

Sanjay Nath
Partner
Membership No. 082700

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Sachin Kumar Mittal
Chief Financial Officer
(PAN: BHYPM1475M)

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

Place: New Delhi
Date: 22 May, 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAUNAQ EPC INTERNATIONAL LIMITED

Report on the audit of the Consolidated Financial Statements

We have audited the consolidated financial statements of Raunaq EPC International Limited ("the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2019, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of changes in equity and the Consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31 March, 2019, and its Consolidated loss, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial

statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

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

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 2833.15 lakhs as at 31 March, 2019, total revenues of Rs. 4678.46 lakhs and net cash flows amounting to Rs. (3.55) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in

so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors of the Holding Company as on 31 March, 2019 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 38 to the consolidated financial statements;
- ii. The Group did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;

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

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



Sanjay Nath
Partner
Membership No.082700

Place: New Delhi
Date: 22 May, 2019

Annexure 'A' to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Raunaq EPC International Limited ("the Holding Company") and its Subsidiary as of 31 March, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its Subsidiary, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050



Sanjay Nath

Partner

Membership No.082700

Place: New Delhi
Date: 22 May, 2019

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-Current assets			
Property, Plant and Equipment	3	1,453.57	1,577.38
Capital Work in Progress	3	38.18	5.18
Intangible Assets	4	19.18	27.83
Financial Assets			
a. Investments	5	499.49	493.48
b. Loans and Advances	6	20.74	18.83
c. Trade Receivables	7	2,299.03	2,427.89
d. Other Financial Assets	8	252.99	221.98
Deferred Tax Assets (Net)	9	471.47	394.62
Total Non-Current Assets		5,054.65	5,167.19
Current Assets			
Inventories	10	470.05	655.75
Financial Assets			
a. Trade Receivables	11	3,505.44	3,640.73
b. Cash and Cash Equivalents	12	150.59	145.82
c. Bank balances other than (b) above	13	628.34	573.19
d. Loans and Advances	14	13.63	17.55
e. Other Financial Assets	15	14.29	13.39
Current Tax Assets	16	104.44	65.27
Other Current Assets	17	675.53	269.68
Total Current Assets		5,562.31	5,381.41
Total Assets		10,616.96	10,548.60
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	334.32	334.32
Other Equity	19	3,337.74	3,782.88
Total Equity		3,672.06	4,117.20
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	20	576.36	204.27
Provisions	21	76.96	118.98
Total Non-Current Liabilities		653.32	323.25
Current Liabilities			
Financial Liabilities			
a. Borrowings	22	754.51	1,021.61
b. Trade Payables	23	4,117.20	3,618.35
c. Other Financial Liabilities	24	344.77	339.07
Other Current Liabilities	25	747.00	879.89
Provisions	26	328.10	249.23
Total Current Liabilities		6,291.58	6,108.15
Total Liabilities		6,944.90	6,431.40
Total Equity and Liabilities		10,616.96	10,548.60
Significant accounting policies and notes to consolidated financial statements	1-51		

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

For and on behalf of the Board of Directors

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

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

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Dr. Sanjeev Kumar (DIN: 00364416)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Directors

Sanjay Nath
Partner
Membership No. 082700

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Sachin Kumar Mittal
Chief Financial Officer
(PAN: BHYPM1475M)

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

Place: New Delhi
Date: 22 May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Revenue from operations	27	9,281.69	7,546.17
Other income	28	601.36	357.00
Total revenue/income		9,883.05	7,903.17
EXPENSES			
a. Cost of material consumed	29	6,199.35	4,053.38
b. Changes in inventories of finished goods & work-in-progress	29A	9.79	(68.02)
c. Employee benefits expenses	30	1,167.14	1,144.60
d. Finance cost	31	462.45	331.06
e. Depreciation and amortization expenses	32	154.59	161.36
f. Other expenses	33	2,433.80	2,480.56
Total expenses		10,427.12	8,102.95
Profit before tax		(544.07)	(199.78)
Income tax expenses			
a. Current tax		-	-
b. Tax expense related to prior period		-	11.87
Net current tax	35	-	11.87
Deferred tax-charge/(credit)	35	(82.58)	(63.33)
Total tax expense		(82.58)	(51.46)
Profit for the year		(461.49)	(148.32)
Other Comprehensive Income			
a. Items that may be reclassified to Profit and Loss			
Income tax effect		-	-
		-	-
b. Items that will not be reclassified to Profit and Loss			
Re-measurement gains/(losses) on defined benefit plan		22.08	30.48
Income tax effect		(5.74)	(9.43)
		16.34	21.05
Other Comprehensive Income for the Year (net of tax) (a+b)		16.34	21.05
Total Comprehensive Income for the year		(445.15)	(127.27)
Earning per Equity Share of [Nominal value per share ₹ 10/- (31 March, 2018 : ₹ 10/-)]			
Basic earning per share	34	(13.80)	(4.44)
Diluted earning per share	34	(13.80)	(4.44)
Significant accounting policies and notes to consolidated financial statements	1-51		

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

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

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

For and on behalf of the Board of Directors

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Dr. Sanjeev Kumar (DIN: 00364416)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Directors

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Membership No. 082700

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Chief Executive Officer
(PAN: AAEPM3206C)

Sachin Kumar Mittal
Chief Financial Officer
(PAN: BHYPM1475M)

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

Place: New Delhi
Date: 22 May, 2019

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	(544.07)	(199.78)
Adjustments for:		
Net gain on fair value of financial assets through statement of profit & loss	(6.01)	(154.28)
Expected credit loss	14.17	39.21
Depreciation and amortization	154.59	161.37
Loss on sale of fixed assets	7.64	16.78
Interest and other charges	458.45	323.16
Interest income	(58.74)	(62.72)
Investment written off	-	0.10
Profit on sale of Asset	(3.18)	(0.05)
Operating profit before working capital changes	22.85	123.79
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	121.11	822.00
Inventories	185.73	(376.91)
Long term loans & advances	(1.91)	4.10
Short term loans & advances	3.92	6.70
Non-current trade receivables	128.86	(1,483.60)
Other current financial assets	(0.90)	11.77
Other non current financial assets	(31.01)	(111.38)
Other current assets	(451.21)	(58.55)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	498.85	274.16
Provisions	58.96	17.55
Other current financial liabilities	(19.10)	28.36
Other current liabilities	(98.06)	556.97
Cash generated from operations	418.10	(185.04)
Direct Taxes paid (net)	(1.01)	(11.87)
Net Cash from operating activities	417.09	(196.91)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(76.85)	(172.80)
Sale of fixed assets	17.27	10.11
Interest received	58.74	62.73
Investment in deposits	(56.78)	347.89
Net cash from/(used) in investment activities	(57.63)	247.92
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	227.94	136.14
Proceeds from short term borrowings	(100.04)	50.50
Repayment of long term borrowings	(24.12)	(57.53)
Interest and other charges paid	(458.45)	(323.16)
Dividend including dividend distribution tax paid	(1.63)	(1.41)
Net cash (used)/from financing activities	(356.31)	(195.47)
Net increase/(decrease) in cash and cash equivalents	3.14	(144.46)
Opening balance of cash and cash equivalents *	157.09	301.54
Closing balance of cash and cash equivalents *	160.23	157.09

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2019.... CONTD.

RECONCILIATION OF CASH AND CASH EQUIVALENTS AS PER THE CASH FLOW STATEMENT

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.91	2.59
Balance with scheduled banks:		
in current accounts	159.32	154.50
Cash and cash equivalents at the end of the year	160.23	157.09

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

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

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP

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

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

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Sachin Kumar Mittal
Chief Financial Officer
(PAN: BHYPM1475M)

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

Place: New Delhi
Date: 22 May, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Amount
As at 01 April, 2018	18	334.32
Change in equity share capital		-
As at 31 March, 2019	18	334.32

B. Other Equity

Particulars	Notes	Reserves and Surplus				Total Other Equity
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance at 01 April, 2017		0.67	162.43	1,525.27	2,221.79	3,910.15
Profit for the year		-	-	-	(148.32)	(148.32)
Total comprehensive income for the year	19	0.67	162.43	1,525.27	2,073.47	3,761.83
Other transactions						-
Remeasurement of defined benefit plans (net of tax)		-	-	-	21.05	21.05
Balance at 31 March, 2018	19	0.67	162.43	1,525.27	2,094.52	3,782.88
Balance at 01 April, 2018		0.67	162.43	1,525.27	2,094.52	3,782.88
Profit for the year					(461.49)	(461.49)
Total comprehensive income for the year	19	0.67	162.43	1,525.27	1,633.03	3,321.39
Other transactions						
Remeasurement of defined benefit plans (net of tax)					16.34	16.34
Balance at 31 March, 2019	19	0.67	162.43	1,525.27	1,649.37	3,337.74

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

For and on behalf of the Board of Directors

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

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(PAN: BHYPM1475M)

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

Place: New Delhi
Date: 22 May, 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note	Particulars
1. CORPORATE OVERVIEW	
	<p>Raunaq EPC International Limited ('the Company') is engaged in Engineering Contracting Business, established in 1965 and primarily in the service of core infrastructural and industrial sectors in India, namely Power, Chemical, Hydro-carbon, Metal and Automobile sectors and manufacturing of Automobile components through its Subsidiary. The Company is a Limited Company and has its Registered Office in Haryana, India. Its shares are listed on the BSE Limited. The Company, its Subsidiary collectively referred to as the "Group" here under.</p> <p>These consolidated financial statements are approved and adopted by the Board of Directors of the Parent Company in their meeting held on 22 May, 2019.</p>
2. SIGNIFICANT ACCOUNTING POLICIES	
	<p>This Note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.</p>
2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS	
a. STATEMENT OF COMPLIANCE	<p>The consolidated financial statements of the Group have been prepared in compliance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.</p>
b. These consolidated financial statements have been prepared on a historical cost basis except for the following:-	<ul style="list-style-type: none"> • Certain Financial Assets and liabilities measured at fair value. • Defined benefit plans - Plan assets measured at fair value.
c. New and amended standard adopted by the Group.	<p>The Group has applied the following standards and amendments for the first time for annual reporting period commencing 01 April 2018:</p> <ul style="list-style-type: none"> • Ind AS 115, Revenue from Contracts with Customers. • Amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates. • Amendment to Ind AS 12, Income Taxes. <p>The Group had to change its accounting policies to adopt the Ind AS 115. The new and amended standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.</p>
2.2 FUNCTIONAL AND PRESENTATION CURRENCY	
	<p>These consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of each Group's entities and all amount are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.</p>
2.3 USE OF ESTIMATES	
	<p>The preparation of consolidated financial statements in accordance with Ind AS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported account of assets, liabilities, income and expenses. Actual results may differ from these estimates.</p> <p>Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are known or materialized.</p>
2.4 REVENUE RECOGNITION	
a. REVENUE FROM CONSTRUCTION CONTRACT	<p>In case of Parent Company, contract revenue is recognized under the fixed price contract. Contract Revenue is recognised in the year in which the services are rendered. In fixed price contract, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual work done approved by the customer.</p>

Note	Particulars
	<p>Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed the total contract revenue.</p> <p>When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.</p> <p>Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured and received from customer. The comparative information in the statement of profit and loss is not restated for year ended 31 March, 2018 – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2.4 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended 31 March, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11.</p>
b.	REVENUE FROM SALE OF GOODS
	<p>In case of Subsidiary Company, revenue from sale of clutch plates and clutch cover assemblies. Effective 01 April, 2018, the Subsidiary Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 - Revenue. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at 01 April, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.</p> <p>The comparative information in the statement of profit and loss is not restated for year ended 31 March, 2018 – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 2.4 – Significant accounting policies – Revenue recognition in the Annual report of the Subsidiary Company for the year ended 31 March, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11.</p> <p>Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.</p>
c.	OTHER ITEMS OF REVENUE
	<p>Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate method.</p> <p>Dividend income is recognised when the right to receive the payment is established.</p> <p>Other items like extra items claim, insurance claims, any receipts on account of pending income tax, sales tax, GST and excise duty assessments, where quantum of accruals cannot be ascertained with reasonable certainty, are recognised as income only when revenue is virtually certain which generally coincides with receipts.</p>

2.5 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

Note	Particulars
	<p>Transition to Ind AS</p> <p>On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.</p> <p>Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful life prescribed in Schedule II to the Act, which are also supported.</p> <p>The residual values are not more than 5% of the original cost of the asset.</p> <p>The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at end of each financial year and any changes there-in are considered as change in estimate and accounted prospectively.</p>
2.6 INTANGIBLE ASSETS (OTHER THAN GOODWILL)	<p>Intangible assets (Computer Software) are stated at cost less accumulated amortization and impaired loss, if any. Computer Software for internal use which is primarily acquired is capitalized. Subsequently, costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes licenses fees, cost of implementation, system integration services etc. where applicable.</p> <p>Transition to Ind AS</p> <p>On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets (Computer Software) recognised as at 01 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.</p> <p>The Group amortises intangible assets (Computer Software) with a finite useful life using the straight line method over a period of (3 years) in Parent and (6 years) in subsidiary.</p>
2.7 IMPAIRMENT OF ASSETS	<p>The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Group estimates the asset recoverable amount. An asset recoverable amount is the higher of an asset or Cash-generating unit (CGU) fair value less cost of disposal and its fair value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.</p> <p>In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken in account. If no such transaction can be identified, an appropriate valuation model is used. Impaired losses are recognised in statement of profit and loss.</p>
2.8 INVENTORIES	<p>Raw material, stores, work-in-progress and traded goods are stated at the lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost of inventories comprises all cost of purchase and other cost incurred in bringing them to their present location and condition. The cost, in general, is determined under First in first out (FIFO) Method in Parent Company and under weighted average method in Subsidiary Company.</p> <p>Contract cost incurred related to future activity of the contract are recognised as an asset provided it is probable that they will be recovered during the contract price. Such cost represent the amount due from customer and are often classified as contract work-in-progress.</p>
2.9 FOREIGN CURRENCY TRANSACTIONS	<p>Transactions in foreign currencies are initially recorded by the Group at rates prevailing on the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in Profit and Loss. Difference arising on settlement of monetary items are also recognised in profit or loss.</p> <p>Non-monetary items that are carried in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the transaction.</p>
2.10 EARNING PER SHARE	<p>Basic earning per share is calculated by dividing net profit or loss for the period attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earning per share is the net profit or loss for the period. The weighted</p>

Note	Particulars
	<p>average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders of the Parent Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.</p>
2.11 BORROWING COSTS	<p>Borrowing cost specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to revenue in the period in which it is incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.</p> <p>Finance costs will normally include:</p> <ol style="list-style-type: none"> interest expense calculated using the effective interest rate method as described in Ind AS 109. the unwinding of the effect of discounting provisions. Dividends on preference shares that are classified as debt.
2.12 PROVISIONS AND CONTINGENT LIABILITIES	<p>Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.</p> <p>Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability is not considered. However, a disclosure for contingent liabilities is made when there is a possible obligation arising from past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.</p>
2.13 DIVIDEND	<p>Dividend on equity shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Board of Directors.</p>
2.14 CASH AND CASH EQUIVALENTS	<p>For the purpose of the statement of cash flows, cash and cash equivalents consists of cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.</p>
2.15 EMPLOYEE BENEFITS	<ol style="list-style-type: none"> Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related services are rendered. Compensated absence is accounted for using the project unit credit method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise. Contribution payable by the Group to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are defined contribution plans. The contributions are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The Group does not have any further obligation in this respect, beyond such contribution. In Parent Company, certain employees are participated in a defined contribution plan of superannuation. The Parent Company has no further obligation to plan beyond its monthly contribution which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India. There is no such scheme in the subsidiary Company. The cost of providing gratuity, a defined benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial

Note	Particulars
	gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.
	Parent Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by trust. The corpus of which is invested with the Life Insurance Corporation of India. Gratuity is unfunded in case of Subsidiary Company.

2.16 LEASES

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

2.17 INCOME TAXES

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

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

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

2.18 FINANCIAL INSTRUMENTS

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

a. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

Derecognition

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

Impairment of Financial Assets

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

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

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

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

b. Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2.19 SEGMENT REPORTING

Operating systems are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Group and makes strategic decision. Refer Note 38 for segment information presented.

2.20 CRITICAL ESTIMATES AND JUDGEMENTS

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

The areas involving critical estimates or judgement are:

i. Critical estimates

- Measurement of defined benefit obligations – Note 46
- Estimated useful life of intangible assets, property, plant and equipment – Note 2.5 and 2.6
- Estimated fair value of financial instruments – Note 48
- Recognition of revenue – Note 2.4
- Provision for expected credit losses – Note 41

ii. Significant Judgements

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

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

Note 3 : Property, Plant & Equipment**(All amounts in ₹ Lakhs, unless otherwise stated)**

Particulars	Land	Plant and machinery	Tools & dies	Tractor	Office equipment	Furniture and fixtures	Electricals fittings	Electric installation	Vehicles	Computers	Lease Hold improvements	Total	Capital work in progress
As at 31 March, 2018													
Gross carrying amount													
Opening gross carrying amount	534.34	844.11	132.16	0.08	2.79	84.68	2.23	14.79	66.29	24.21	-	1,705.68	1.06
Addition	-	12.82	16.43	-	1.10	0.39	0.19	-	135.21	2.46	-	168.58	20.55
Disposals/transfers	-	45.76	-	-	-	-	-	-	0.75	0.25	-	46.76	16.43
Closing gross carrying amount	534.34	811.17	148.59	0.08	3.89	85.07	2.42	14.79	200.74	26.42	-	1,827.50	5.18
Accumulated depreciation													
Opening accumulated depreciation	-	66.24	30.47	-	1.21	9.02	0.84	1.92	6.28	6.91	-	122.89	-
Depreciation charged during the year	-	70.83	33.61	-	0.59	10.12	0.75	1.92	23.91	5.50	-	147.23	-
Disposals/transfers	-	19.19	-	-	-	-	-	-	0.57	0.24	-	20.00	-
Closing accumulated depreciation	-	117.88	64.08	-	1.80	19.14	1.59	3.84	29.61	12.18	-	250.12	-
Net carrying amount	534.34	693.29	84.51	0.08	2.09	65.92	0.83	10.95	171.13	14.24	-	1,577.38	5.18
As at 31 March, 2019													
Gross carrying amount													
Opening gross carrying amount	534.34	811.17	148.59	0.08	3.89	85.07	2.42	14.79	200.74	26.42	-	1,827.50	5.18
Addition	-	13.78	17.77	-	1.81	0.31	-	-	-	1.20	8.23	43.10	41.05
Disposals/transfers	-	34.55	-	-	-	13.46	-	-	-	0.04	-	48.05	8.05
Closing gross carrying amount	534.34	790.39	166.36	0.08	5.70	71.92	2.42	14.79	200.74	27.58	8.23	1,822.55	38.18
Accumulated depreciation													
Opening accumulated depreciation	-	117.88	64.08	-	1.80	19.14	1.59	3.84	29.61	12.18	-	250.12	-
Depreciation charged during the year	-	68.91	33.48	-	0.71	9.19	0.13	1.92	25.81	4.71	0.31	145.18	-
Disposals/transfers	-	18.78	-	-	-	7.50	-	-	-	0.04	-	26.32	-
Closing accumulated depreciation	-	168.01	97.56	-	2.51	20.83	1.72	5.76	55.42	16.85	0.31	368.98	-
Net carrying amount	534.34	622.38	68.80	0.08	3.18	51.09	0.69	9.03	145.32	10.73	7.92	1,453.57	38.18

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 4 : Intangible Assets

Particulars	Software	Total
As at 31 March, 2018		
Gross carrying amount		
Opening gross carrying amount	52.42	52.42
Addition	-	-
Disposals/transfers	-	-
Closing gross carrying amount	52.42	52.42
Accumulated Depreciation		
Opening accumulated depreciation	10.47	10.47
Depreciation charged during the year	14.12	14.12
Disposals/transfers	-	-
Closing accumulated depreciation	24.59	24.59
Net carrying amount	27.83	27.83
As at 31 March, 2019		
Gross carrying amount		
Opening gross carrying amount	52.42	52.42
Addition	0.77	0.77
Disposals/transfers	-	-
Closing gross carrying amount	53.19	53.19
Accumulated Depreciation		
Opening accumulated depreciation	24.59	24.59
Depreciation charged during the year	9.42	9.42
Disposals/transfers	-	-
Closing accumulated depreciation	34.01	34.01
Net carrying amount	19.18	19.18

Note 5 : Non-current Investments

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investment in Others		
Quoted		
At fair value through profit and loss (FVPL) 2,93,300 (31 March, 2018 : 2,93,300) Equity shares of ₹ 10/- each fully paid up in Bharat Gears Ltd.	499.49	493.48
Total	499.49	493.48
Aggregate amount of Quoted Investments and market value thereof	499.49	493.48

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 6 : Non-current Loans and Advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposit		
Unsecured, considered good*	20.74	18.83
Total	20.74	18.83

* ₹ 5.00 lakhs is given under protest against excise matter disputed in High Court.

Note 7 : Non-current Trade Receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables including retention money	2,299.03	2,427.89
Trade receivables which have significant increase in credit risk	76.51	62.33
Trade receivables - credit impaired	(76.51)	(62.33)
Total	2,299.03	2,427.89

Note 8 : Other Non-current Financial Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Long Term Deposits with Banks with Maturity period more than 12 months	252.99	221.98
Refer (a) below		
Total	252.99	221.98

(a) ₹ 252.99 Lakhs (31 March, 2018 : ₹ 221.98 Lakhs) held as Margin money against bank guarantees.

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

Particulars	As at 31 March, 2019	Charged/ (credit) during the year	As at 31 March, 2018
Deferred tax assets on account of:			
a) Provision for doubtful advances	0.14	(0.03)	0.17
b) Provision for Excise Duty	-	(13.99)	13.99
c) Employee Benefits	29.59	(3.85)	33.44
e) Income Tax losses	380.72	113.31	267.41
f) Unabsorbed Depreciation	129.22	15.44	113.78
g) Expected credit loss (ECL)	19.89	0.63	19.26
Total deferred tax assets	559.56	111.51	448.04
MAT credit entitlement			
Deferred tax liabilities on account of:			
a) Difference between book and tax depreciation	(51.42)	2.00	(53.42)
a) Income on fair valuation of Shares of Bharat Gears Limited	(36.67)	(36.67)	-
Total deferred tax liabilities	(88.09)	(34.67)	(53.42)
Total deferred tax (net)	471.47	76.84	394.62

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 10 : Inventories

Particulars	As at 31 March, 2019	As at 31 March, 2018
Raw Material & Components	262.63	206.23
Stock-in trade-traded goods	82.07	207.75
Work-in progress	110.40	227.95
Stores Consumables	14.95	13.85
Total	470.05	655.78

Note 11 : Current Trade Receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured considered good, unless otherwise stated		
Trade receivables	3,505.44	3,640.73
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	3,505.44	3,640.73

Note 12 : Cash and Cash Equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance with Banks		
In current account	149.68	144.49
Cash on hand	0.91	1.33
Total	150.59	145.82

Note 13 : Bank Balances Other than Cash and Cash Equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
Other Balances		
Earmarked balances with banks for:		
Unpaid Dividends	9.64	11.27
Fixed deposits with various authorities		
Margin money against bank guarantees and others	618.70	561.92
Total	628.34	573.19

Note 14 : Current Loans and Advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, Considered good		
Security Deposits	3.80	3.32
Loans and advances to employee	8.35	4.60
Duties & Taxes	0.23	0.28
Duty drawback receivable	0.48	3.33
Export incentive receivable	0.77	6.02
Total	13.63	17.55

Note 15 : Other Current Financial Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Accrued interest on deposits with Banks and others	14.29	13.39
Insurance claim receivable	-	-
Total	14.29	13.39

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 16 : Current Tax Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current Tax Assets (net of provision)	104.44	65.27
Total	104.44	65.27

Note 17 : Other Current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured considered good		
Prepaid Expenses	97.67	120.27
Advances recoverable in cash or in kind or for value to be received	577.86	146.15
Others	-	3.26
Unsecured considered doubtful		
Advances recoverable in cash or in kind or for value to be received	0.54	0.54
Less: Allowance for doubtful debt	(0.54)	(0.54)
Total	675.53	269.68

Note 18 : Equity Share Capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorized:				
Equity shares of ₹ 10 each (31 March, 2018 ₹ 10 each)	35,000,000	3500.00	35,000,000	3500.00
Issued, Subscribed and Paid-up:				
Equity shares of ₹ 10 each (31 March, 2018 ₹ 10 each)	3,343,243	334.32	3,343,243	334.32
Total		334.32		334.32

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

Issue of Bonus Shares

During the financial year ended 31 March, 2014, the Parent Company had issued 20,05,946 Equity Shares of ₹ 10/- each as fully paid up Bonus Shares after capitalization of General Reserves of ₹ 200.59 lakhs to shareholders in proportion of their shareholding.

Apart from the issue of bonus shares as mentioned above, the Parent Company has not allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceeding period of 5 financial years.

Reconciliation of Shares Issued

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

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Mr. Surinder Paul Kanwar	1,466,695	43.87	1,466,695	43.87
Gulab Merchandise Private Limited	-*	-*	644,825	19.29
Strategic Capital Partners Private Limited	264,028	7.89	-	-
Mr. Soham Ashokkumar Shah	235,972	7.05	-	-

* Holding Less than 5% of Equity Share Capital of the parent Company.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 19 : Other Equity

Particulars	Refer following items	As at 31 March, 2019	As at 31 March, 2018
Capital Reserve	19(a)	0.67	0.67
Securities Premium Reserve	19(b)	162.43	162.43
General Reserve	19(c)	1,525.27	1,525.27
Retained Earnings	19(d)	1,649.37	2,094.52
Total		3,337.74	3,782.88

Particulars	As at 31 March, 2019	As at 31 March, 2018
a Capital Reserve-Balance at the beginning and end of the year	0.67	0.67
b Securities Premium Reserve-Balance at the beginning and end of the year	162.43	162.43
c General Reserve		
Balance at the beginning of the year	1,525.27	1,525.27
Add: Transferred from Retained Earnings	-	-
Balance at the end of the year	1,525.27	1,525.27
d Retained Earnings		
Balance at the beginning of the year	2,094.52	2,221.79
Profit for the year	(461.49)	(148.32)
Remeasurement of defined benefit plans (net of tax)	16.34	21.05
Balance at the end of the year	1,649.37	2,094.52
Total	3,337.74	3,782.88

Nature and purpose of Reserves

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

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

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

Note 20 : Non-current Borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
Secured borrowings		
Term loans from Banks	56.36	79.27
Unsecured Borrowings		
1,25,000, 10% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up	125.00	125.00
Loan from Corporates		
- Companies under joint control	130.00	-
- Others	265.00	-
Total	576.36	204.27

Rupee Term Loans from Banks:

- Term Loan from Banks ₹ 56.36 Lakhs (31 March, 2018 : ₹ 79.27 Lakhs) was secured by way of hypothecation/ exclusive charge on assets financed. Repayable along with interest at the rate of 8% p.a. in 60 monthly installments financed by HDFC Bank Ltd.
- Loan from Corporates: Repayable upto 5 years and interest is charged at the rate of 9% p.a./10% p.a.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 21 : Non-current Provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits		
a. Provision for compensated absences	64.85	68.54
b. Provision for gratuity	12.11	5.17
Provision-others		
Provision for excise duty	-	45.27
Total	76.96	118.98

Note 22 : Current Borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
Secured Borrowings		
Working capital loans repayable on demand from:		
Bank - Cash credit (CC) [refer (i)]	609.83	646.97
NSIC RMA Account [refer (ii)]	94.68	94.64
Unsecured Borrowings		
a. Loan from director	50.00	50.00
b. Companies under joint control [refer (iii)]	-	110.00
c. Others	-	120.00
Total	754.51	1,021.61

Working capital loans repayment on demand from banks

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

Note 23 : Trade Payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total outstanding dues of micro enterprises and small enterprises	113.99	-
Total outstanding dues of trade payable other than micro enterprises and small enterprises	4,003.21	3,618.35
Total	4,117.20	3,618.35

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 24 : Other Current Financial Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current maturities of long-term debt (Refer Note 20)	22.91	24.12
Unpaid dividend	9.64	11.27
Employee Dues	218.46	199.34
Creditors for expenses	53.29	47.78
Interest Payable	3.01	-
Payables on purchase of fixed assets & CWIP	12.20	31.30
Security deposit from customers	25.26	25.26
Total	344.77	339.07

Note 25 : Other Current Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Statutory Dues	251.53	79.76
Contractually reimbursable expenses	19.24	18.50
Contract mobilization advances from customers	375.87	652.46
Customer credit balances	8.96	9.61
Other payables	91.40	119.56
Total	747.00	879.89

Note 26 : Current Provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits		
Provision for compensated absences	34.68	38.92
Provision for Gratuity	7.79	-
Provision-others		
Provision for other outstanding liabilities	125.42	93.87
Provision for Turnover Discounts	106.25	59.46
Other Provisions	53.96	56.98
Total	328.10	249.23

Note 27 : Revenue from Operations

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Sales of service	4,627.58	4,221.29
Sales of product	4,544.51	3,234.91
Sale of Scrap	94.88	81.62
Others	14.72	8.35
Total	9,281.69	7,546.17

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 28 : Other Income

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Interest income	58.74	62.73
Net gain/(loss) on fair value of financial assets through statement of profit & loss (FVPL)	6.01	154.28
Amount received from revenue authorities	427.04	-
Other non-operating income	109.57	139.99
Total	601.36	357.00

Note 29 : Cost of Materials Consumed

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Opening stock	342.33	172.77
Add: Purchases during the year	6,162.73	4,222.94
Less: Closing stock	305.71	342.33
Net material consumed	6,199.35	4,053.38
Total	6,199.35	4,053.38

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

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Inventories (at the end of the year)		
- Finished goods	38.99	71.65
- Work-in-progress	110.40	87.53
Sub Total	149.39	159.18
Inventories (at the beginning of the year)		
- Finished goods	71.65	40.22
- Work-in-progress	87.53	50.94
Sub Total	159.18	91.16
Net (increase)/decrease	9.79	(68.02)

Note 30 : Employee Benefits Expenses

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
a. Salaries and wages	1,004.34	984.92
b. Contributions to provident and other fund	62.00	61.39
c. Gratuity fund contribution (Refer note 46)	54.82	29.48
d. Staff welfare expenses	45.98	68.81
Total	1,167.14	1,144.60

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 31 : Finance Cost

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
a. Interest expenses on:		
Borrowings	293.84	178.67
b. Other borrowing costs	168.61	152.39
(Bank and other financial charges)		
Total	462.45	331.06

Note 32 : Depreciation and Amortization Expenses

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Depreciation of property, plant and equipment	145.17	147.24
Amortization of intangible assets	9.42	14.12
Total	154.59	161.36

Note 33 : Other Expenses

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Consumption of stores and spare parts	250.63	85.43
Job work expenses	175.95	151.72
Erection expenses	831.90	528.63
Power and fuel	54.56	57.00
Hire charges	70.12	16.89
Marketing Service Fee	171.63	135.31
Other Marketing and Selling Expense	81.46	70.59
Travelling & Conveyance	96.64	113.55
Excise duty expenses	-	71.02
Rent	97.53	93.56
Car hire expenses	5.91	4.35
Repairs and maintenance	24.03	40.57
Insurance	21.15	21.61
Rates and taxes	20.06	64.69
Warranty claim expenses	66.50	44.44
Freight and forwarding	245.48	157.64
Payments to auditors (Refer Note (i) below)	5.84	7.13
Loss on fixed assets sold	7.64	16.78
Legal & professional charges	90.54	120.86
Expected credit loss (ECL)	14.17	39.21
Bad debt written off	-	526.58
Miscellaneous expenses	102.06	112.99
Total	2,433.80	2,480.55

Auditors' Remuneration paid/payable for the year

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Statutory audit fee	3.10	3.10
Limited review and other certifications	2.41	3.71
Reimbursement	0.33	0.33
Total	5.84	7.14

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 34 : Earning Per Share

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
Weighted average number of equity shares outstanding	3,343,243	3,343,243
Profit after tax available for shareholders	(461.49)	(148.32)
Basic & diluted earning per share	(13.80)	(4.44)
Nominal value per share	10.00	10.00

Note 35 : Tax Reconciliation

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

Income Tax Expenses

This note provides an analysis of the Group income tax expenses that how the tax expenses are affected by non-assessable and not-deductible items:

Particulars	2018-19	2017-18
Income Tax Expenses		
Current tax for the year	-	-
Adjustment for current tax of prior period	-	11.87
Total current expenses	-	11.87
Deferred tax		
Increase/(Decrease) in deferred tax assets	117.25	-
(Increase)/Decrease in deferred tax liabilities	(34.67)	(43.99)
Total deferred tax Income/(Expenses)	82.58	(43.99)
Income tax expenses	(82.58)	55.86

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

Particulars	2018-19	2017-18
Enacted tax rate in India (%) - In Parent Company	(544.07)	(158.38)
Enacted tax rate in India (%) - In Parent Company	26.00%	30.90%
Enacted tax rate in India (%) - In Subsidiary Company	26.00%	25.75%
Computed expected tax expenses	-	-
Tax effect due to non-taxable income for Indian tax purposes	(1.56)	(47.67)
Tax reversals	-	11.87
Effect of non-deductible expenses	3.68	12.12
Others	(101.06)	(35.80)
Income tax expenses	(98.94)	(59.49)

Note 36 : Disclosure required pursuant to Ind AS - 36 "Impairment of assets"

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

Note 37 : Operating Segment information

a) As per Ind AS - 108 "Operating Segment" the Group has considered business segment as the reportable segment for the purpose of segment reporting disclosure. The business segments are construction activity [civil, mechanical and engineering] and manufacturing of Automobile Components. The above segments have been identified taking into account the organisation structure as well as the differing risks and returns of these segments and so the Segment revenues, expenses, assets and liabilities.

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial year 2018-19

Particulars	Construction Activity	Auto Mobile Components	Total
Segment Revenue	4,627.58	4,654.11	9,281.69
Segment Expenses	5,831.15	4,595.97	10,427.12
Segment Profit	(1,203.57)	58.14	(1,145.43)
Segment Assets	7,791.01	2,825.96	10,616.97
Segment Liabilities	5,009.30	1,935.62	6,944.92

Financial year 2017-18

Particulars	Construction Activity	Auto Mobile Components	Total
Segment Revenue	4,221.29	3,324.88	7,546.17
Segment Expenses	4,715.75	3,387.18	8,102.93
Segment Profit	(494.46)	(62.30)	(556.76)
Segment Assets	8,025.48	2,523.12	10,548.60
Segment Liabilities	4,742.85	1,688.54	6,431.39

b) The revenue of the Group from the external customers is attributed to (i) the Group's country of domicile i.e. India and (ii) all foreign countries in total from which the Group derives revenue.

Particulars	As at 31 March, 2019	As at 31 March, 2018
Within India	9,155.57	7,430.52
Outside India	126.12	115.65
Total	9,281.69	7,546.17

Note 38 : Contingent Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Contingent liabilities		
a. Guarantees/Letter of Credit given by the banks which are counter guaranteed by the Group and secured against Fixed and Current Assets	4,045.69	4,269.32
b. Others where Group had gone in to appeals before appropriate authorities:		
-Sales Tax	20.29	9.74
-Income Tax	-	1.74
c. Corporate guarantee	243.97	-
Total	4,309.95	4,280.80

Note 39 : Capital Management

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

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

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

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Equity Share Capital	334.32	334.32
Other Equity	3,337.74	3,782.88
Total Equity	3,672.06	4,117.20
Long Term Debt	599.27	228.39
Debt to Equity Ratio	0.16	0.06

Note 40 : Financial Risk Management Objectives and Policies

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

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

Market risk:

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

Interest rate risk:

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

Exposure to interest rate risk:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Floating rate borrowings: Working capital loan	55.87	86.32
Total	55.87	86.32

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
50 bp increase - Decrease in profit	2.20	3.66
50 bp decrease - Increase in profit	2.20	(2.79)

Credit risk:

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

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

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

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

(All amounts in ₹ Lakhs, unless otherwise stated)

(i) Provision for expected credit losses:

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

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

(a) the contractual cash flows that are due to an entity under the contract; and

(b) the cash flows that the entity expects to receive.

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

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

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Receivables (Gross)	5,804.47	6,068.62
Less: Expected Credit Loss	(76.51)	(62.33)
Trade Receivables (Net)	5,727.96	6,006.29

Financial Instruments and Cash Deposits

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 7,031.92 Lakhs as at 31.03.2019 and ₹ 7,552.86 Lakhs as at 31.03.2018, which is the carrying amounts of cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets.

Liquidity risk

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

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

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

As at 31 March, 2019

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	777.42	451.36	125.00	1,353.78
Trade Payables	4,117.20	-	-	4,117.20
Other Financial Liabilities	321.86	-	-	321.86
Total	5,216.48	451.36	125.00	5,792.84

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 31 March, 2018

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	1,045.73	79.27	125.00	1,250.00
Trade Payables	3,618.35	-	-	3,618.35
Other Financial Liabilities	314.95	-	-	314.95
Total	4,979.03	79.27	125.00	5,183.30

Note 41 : Corporate Social Responsibility

- (i) Gross amount required to be spend by the Company during the F.Y. 2018-19 is ₹ 6.07 Lakhs.
(ii) Amount spent during the financial year 2018-19 : Nil

Note 42 : Lease Payment

Operating lease payments recognised in Statement of Profit and Loss for the year are as follows:-

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Car lease Rent	-	3.02

Note 43 : Expenditure in Foreign Currency

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Other matter (Travel)	5.91	2.07

Note 44 : Lease Payment

Operating lease payments recognised in Statement of Profit and Loss for the year are as follows:-

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Operating lease	51.13	49.42
Future minimum lease payments:		
-Not later than one year	53.48	53.48
-Later than one year but not later than 5 years	235.29	235.29
-More than 5 years	820.00	820.00

Note 45 : Details of Consumption of Imported and Indigenous Items

Particulars		For the year ended 31 March, 2019	
		Amount (₹ in lacs)	percentage (%)
Imported			
(i)	Raw Material	219.72 (95.62)	3.63 0.02
(ii)	Stores, Spares, tools & tackles	-	-
Indigenous			
(i)	Raw Material	5,830.88 (3,811.20)	96.37 (99.98)
(ii)	Stores, Spares, tools & tackles	378.38 (209.99)	100.00 (100.00)
Total		6,428.98 (4,116.81)	

Figures in brackets are for the previous year.

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 46 : Employee Benefits**a) Defined Contribution Plans**

Contribution to the provident fund and Superannuation funds are charged to the Profit and loss statement.

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

Particulars	2018-19	2017-18
Contribution to Provident Fund and Family Pension Fund	49.00	46.51
Contribution to Superannuation Fund	5.70	5.41

b) Post Employment Defined Benefit Plans

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

c) Other Long Term Employee Benefit Plan

Leave Encashment Scheme [LES] (Unfunded)

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

d) Risk Exposure

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

Discount Risk

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

Salary Escalation Risk

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

Demographic Risk

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

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
Components of employee expenses	2018-19		2017-18	
Current service cost	6.07	2.23	7.83	1.34
Past service cost	-	-	18.36	-
Interest cost	8.79	0.40	8.14	0.25
Expected return on Plan Assets	(8.39)	-	(7.82)	-
Total expenses recognised in the Profit & Loss Statement	6.47	2.64	26.51	1.59
Actuarial (gain)/loss-Obligation opening Balance	(30.79)	0.31	(16.78)	0.31
Actuarial (gain)/loss-Obligation	3.57	4.29	-	-
Actuarial (gain)/loss-plan assets	0.84	-	(14.01)	-
Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses	(26.38)	4.60	(30.79)	0.31
Actual Contribution & Benefits payment for the year	2018-19		2017-18	
Actual benefits payments	33.03	-	9.15	-
Actual contributions	9.63	-	1.10	-
Net assets/(liability) recognised in the Balance Sheet	2018-19		2017-18	
Present value of Defined Benefit Obligation	100.13	12.11	113.37	5.17
Fair value of Plan Assets	92.35	-	114.64	-
Funded Status [Surplus/(Deficit)]	(7.79)	(12.11)	1.27	(5.17)
Net assets/(liability) recognised in the Balance Sheet	(7.79)	(12.11)	1.27	(5.17)
Change in Defined Benefits Obligation during the year	2018-19		2017-18	
Present value of Defined Benefit Obligation as at the beginning of the year	113.37	5.17	104.97	3.28
Current service cost	6.07	2.23	7.83	1.34
Past service cost	(30.79)	-	18.36	-
Interest Cost	8.79	0.40	8.14	0.25
Actuarial Losses/(Gains)	(30.34)	4.30	(16.78)	0.31
Benefits paid	33.03	-	(9.15)	-
Present value of Defined Benefits Obligation as at the end of the year	100.13	12.11	113.37	5.17
Change in Fair value of the Plan Assets during the year	2018-19		2017-18	
Plan Asset as at the beginning of the year	114.64	-	100.86	-
Actuarial Adjustment	(6.44)	-	-	-
Expected return on the Plan Assets	8.39	-	7.82	-
Actual Company contributions	9.63	-	1.10	-
Actuarial (Losses)/Gains	(0.84)	-	14.01	-
Benefits paid	(33.03)	-	(9.15)	-
Plan Asset as at the end of the year	92.35	-	114.64	-

(All amounts in ₹ Lakhs, unless otherwise stated)

Actuarial Assumptions	2018-19		2017-18	
Discount rate	7.75%	7.75%	7.75%	7.75%
Expected return on plan assets	7.75%	-	7.75%	-
Withdrawal rate (per annum) (18 to 30 years)	5.00%	5.00%	5.00%	5.00%
Withdrawal rate (per annum) (30 to 44 years)	3.00%	3.00%	3.00%	3.00%
Withdrawal rate (per annum) (44 to 60 years)	2.00%	2.00%	2.00%	2.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%

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

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

Particulars	Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
The major categories of plan assets as a percentage of the total plan assets	2018-19		2017-18	
Insurer Managed Funds	100%	-	100%	-
Experience Adjustments	2018-19		2017-18	
Present value of Defined Benefit Obligation as at the end of the year	100.13	-	113.37	-
Fair value of plan assets as at the end of the year	92.35	-	114.64	-
Funds Status [Surplus/(Defined)]	(7.79)	-	1.27	-
Experience adjustment of Plan Liabilities	2.31	-	2.31	-
Experience adjustment of Plan Asset	92.35	-	114.64	-

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

Gratuity Funded Sensitivity Analysis for significant assumptions as on 31.03.2019 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.13)	4.71	3.76	(3.24)	0.84	0.95

Gratuity Funded Sensitivity Analysis for significant assumptions as on 31.03.2018 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.91)	5.76	4.92	(4.18)	1.27	(1.46)

Gratuity Unfunded Sensitivity Analysis for significant assumptions as on 31.03.2019 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(11.03)	13.35	13.37	(11.00)	12.32	(11.86)

Gratuity Unfunded Sensitivity Analysis for significant assumptions as on 31.03.2018 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(4.63)	5.82	5.83	(4.61)	5.28	(5.04)

(All amounts in ₹ Lakhs, unless otherwise stated)

The Parent Company expects to contribute ₹ 7.48 Lakhs (Previous year ₹ 8.90 Lakhs) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2019 is 11 years (as at 31.03.2018: 12 years).

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

Particulars	Gratuity Funded	Gratuity Unfunded
01 April, 2018 to 31 March, 2019	41.46	0.72
01 April, 2019 to 31 March, 2020	8.30	0.76
01 April, 2020 to 31 March, 2021	14.04	0.81
01 April, 2021 to 31 March, 2022	11.45	0.84
01 April, 2022 to 31 March, 2023	4.19	0.85
01 April, 2023 onwards	48.96	12.38

Note 47 : Related Party Disclosures

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

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

Bharat Gears Limited (BGL)
 Vibrant Finance & Investment Private Limited (VFIPL)
 Ultra Consultants Private Limited (UCPL)
 Future Consultants Private Limited (FCPL)
 Cliplok Simpak (India) Private Limited (CSIPL)
 Samreet Investment & Management Consultancy Private Limited (SIMCPL)
 Gulab Merchandise Private Limited (GMPL)
 City Fame Engineering Private Limited (CFEPL)

(b) Key managerial personnel:

Mr. Surinder Paul Kanwar - Chairman & Managing Director
 Mr. Sachit Kanwar - Joint Managing Director
 Dr. Sanjeev Kumar - Non-Executive Independent Director
 Mr. Pradeep Kumar Mittal - Non-Executive Independent Director
 Mr. V.K. Pargal - Non-Executive Independent Director
 Mr. Gautam Mukherjee - Non-Executive Independent Director (upto 24.08.2018)
 Mr. Nagar Venkatraman Srinivasan - Non-Executive Director
 Mrs. Seethalakshmi Venkataraman - Non-Executive Independent Director
 Mr. Prabhat Chand Kothari - Director
 Mr. Jagdeep Singh - Director
 Mr. Rajiv Chandra Rastogi - Director

Details of transactions with the related parties

Particulars	Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	2018-19	2017-18	2018-19	2017-18
Transaction during the year				
Rent Paid				
BGL	11.77	12.21	-	-
VFIPL	4.80	4.98	-	-
Loan Taken				
VFIPL	21.00	-	-	-
Electricity Charges paid				
VFIPL	2.30	0.91	-	-

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	2018-19	2017-18	2018-19	2017-18
Transaction during the year				
Managerial remuneration				
Mr. Surinder Paul Kanwar	-	-	*	*
Mr. Sachit Kanwar	-	-	93.05	93.05
Dr. Sanjeev Kumar	-	-	1.05	1.00
Mr. Pradeep Kumar Mittal	-	-	1.15	1.25
Mr. V.K. Pargal	-	-	0.85	0.85
Mr. Gautam Mukherjee	-	-	0.25	0.65
Mrs. Seethalakshmi Venkataraman	-	-	0.30	0.55
Mr. Satya Prakash Mangal	-	-	-	1.05
Mr. Nagar Venkatraman Srinivasan	-	-	0.30	0.40
Marketing Service Fee				
BGL	171.63	135.31	-	-
Rent Income				
BGL	-	-	11.75	-
Other selling expenses				
BGL	-	-	5.73	-
Interest on Loan				
UCPL	1.50	1.50	-	-
Mr. Surinder Paul Kanwar	-	-	6.00	6.00
CSIPL	5.00	5.00	-	-
CFEPL	1.91	1.95	-	-
VFIPL	4.97	4.50	-	-
Professional Charges				
Mr. Pradeep Kumar Mittal	-	-	-	1.96

Particulars	Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Loan received/(repaid)				
Unsecured Loan				
VFIPL(net)	(1.00)	-	-	-
CFEPL	(20.00)	-	-	-

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Repayment of Unsecured Loan				
Guarantee given for credit limits taken by Company				-
VFIPL	4,297.00	6,583.00	-	-
Mr. Surinder Paul Kanwar	-	-	5,203.00	7,538.00
Mr. Sachit Kanwar	-	-	405.00	405.00
Amount Payable				
Mr. Surinder Paul Kanwar	-	-	50.00	50.00
Mr. Sachit Kanwar	-	-	27.48	1.34
UCPL	15.00	15.00	-	-
BGL	101.91	87.05	-	-
CSIPL	50.00	50.00	-	-
CFEPL	-	20.00	-	-
VFIPL	74.11	47.73	-	-

Note 48 : Financial instruments

Particulars	Notes	31 March, 2019			31 March, 2018		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets							
Investment							
Equity Shares (Quoted)	5	499.49	-	-	493.48	-	-
Equity Shares (Unquoted)	5	-	-	-	-	-	-
Loans and Advances	6,14	-	-	34.37	-	-	36.38
Trade Receivables	7,11	-	-	5,804.47	-	-	6,068.62
Cash and Bank Balances	12,13	-	-	778.93	-	-	719.01
Other Financial Assets	8,15	-	-	267.28	-	-	235.37
Total Financial Assets		499.49	-	6,885.05	493.48	-	7,059.38
Financial Liabilities							
Borrowings	21,23	-	-	1,330.87	-	-	1,225.88
Trade Payables	24	-	-	4,117.20	-	-	3,618.35
Other Financial Liabilities	25	-	-	344.77	-	-	339.07
Total Financial liabilities		-	-	5,792.84	-	-	5,183.30

Fair Value Hierarchy

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

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

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

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

(All amounts in ₹ Lakhs, unless otherwise stated)

i) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2019

Particulars	Notes	Level 1
Financial assets		
Investment in:		
Equity Instruments	5	499.49

ii) Financial assets and liabilities are measured at recurring fair value measurement at 31 March, 2018

Particulars	Notes	Level 1
Financial assets		
Investment in:		
Equity Instruments	5	493.48

During the year ended 31.03.2018, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Note 49 : Additional information required by Schedule III

Particulars	Indian Subsidiary	Non-controlling Interest	Total
Name of the Entity in the Group	Xlerate Driveline India Limited		
Net Assets i.e Total Assets minus Total Liabilities			
- As % of Consolidated Net Assets	100.00	-	100.00
- Amount	897.53	-	897.53
Share in profit or loss			
- As % of Consolidated profit or loss	100.00	-	100.00
- Amount	66.13	-	66.13
Share in Other Comprehensive Income			
- As % of Consolidated Other Comprehensive Income	100.00	-	100.00
- Amount	(3.18)	-	(3.18)
Share in Total Comprehensive Income			
- As % of Consolidated Total Comprehensive Income	100.00	-	100.00
- Amount	62.95	-	62.95

Note 50: Recent Accounting Pronouncements

In March 2019, the Ministry of Corporate Affairs issued Companies (Indian Accounting Standards) Amendments Rules, 2019, notifying the following Ind AS/amendments which is effective from annual period beginning on or after 01 April 2019:

a) Ind AS 116 – Leases

This new Ind AS replaces the existing standard Ind AS 17 'Leases'. The core requirement under Ind AS 116 for lessee is to recognize the asset for the right of use received and liability for the obligations under each lease contract for lease term (as defined under Ind AS 116) except for short period leases or low value leases.

b) Amendment to Ind AS 103 – Business Combinations

Amendment provides additional guidance for accounting in case of a party to the joint operation achieved control over joint operation. Such transaction is required to be accounted like the business combination achieved in stages.

c) Amendment to Ind AS 109 – Financial Instruments

Notes Forming Part of Standalone Financial Statements; Amendment provides additional guidance in relation to prepayment features with reasonable compensation that changes the contractual cash flow. Amendment also provides the transitional provision in Ind AS 109 as a consequence of issuance of guidance on prepayment features with negative compensation.

(All amounts in ₹ Lakhs, unless otherwise stated)

d) Amendment to Ind AS 111 – Joint Arrangements

As per the amendment, a party participating in joint operation but does not have joint control shall not re-measure its previously held interest in a joint operation (which constitutes a business) while attaining joint control over joint operation on acquisition of additional interest or otherwise.

e) Amendment to Ind AS 12 – Income Taxes

As part of amendment, Appendix C 'Uncertainty over Income Tax Treatments' has been inserted in the standard which clarifies the recognition and measurement requirements of Ind AS 12 in case of uncertainty over income tax treatment and reflect the effect of such uncertainty in accounting treatment.

f) Amendment to Ind AS 19 – Employee Benefits

The standard is amended to provide the guidance for measurement of defined benefit obligation in case of plan amendment, curtailment or settlement.

g) Amendment to Ind AS 23 – Borrowing Cost

The amendment clarifies that borrowing cost applicable to borrowing made specifically for the purpose of obtaining a qualifying asset shall be excluded while determining general capitalization rate only till substantially all the activities necessary to prepare that specific asset for its intended use or sale are completed.

h) Amendment to Ind AS 28 – Investments in Associates and Joint Ventures

The amendment clarifies that an entity first applies Ind AS 109 'Financial Instruments' to other financial Instruments (long-term interests in associates and joint ventures) before taking into account its share of profit or loss of an associate or joint venture under Ind AS 28. Consequently, in applying Ind AS 109, an entity does not take account of any adjustments to the carrying amount of long-term interests under Ind AS 28. The Company does not have any interest in associate or joint venture therefore the amendment will not have any effect on the Company's financial statements. These Ind AS/Amendments are applicable to the Company from 01 April, 2019. The Company is evaluating the effects of the new Ind AS/amendments on its financial statements.

The core requirement under Ind AS 116 for lessee is to recognize the asset for the right of use received and liability for the obligations under each lease contract for lease term (as defined under Ind AS 116) except for short period leases or low value leases.

Note 51: Previous year's figures are reclassified, where necessary, to conform to the current year's classification.

For and on behalf of the Board of Directors

For B R Maheswari & Co LLP

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

Sanjay Nath

Partner
Membership No. 082700

Place: New Delhi
Date: 22 May, 2019

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

Rajan Malhotra
Chief Executive Officer
(PAN: AAEPM3206C)

Sachit Kanwar
Joint Managing Director
(DIN: 02132124)

Sachin Kumar Mittal
Chief Financial Officer
(PAN: BHYPM1475M)

Dr. Sanjeev Kumar (DIN: 00364416)
Seethalakshmi Venkataraman (DIN: 07156898)
Rajiv Chandra Rastogi (DIN: 00035460)
Directors

Sukhvir
Company Secretary
(PAN: CKLPS9031G)

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

(₹ in Lakhs)

S.NO.	PARTICULARS	
1.	NAME OF SUBSIDIARY	XLERATE DRIVELINE INDIA LIMITED
2.	SHARE CAPITAL	1,487.70
3.	RESERVE & SURPLUS	(590.17)
4.	TOTAL ASSETS	2,833.15
5.	TOTAL LIABILITIES	1,935.62
6.	INVESTMENTS	-
7.	NET TURNOVER	4,654.11
8.	PROFIT (LOSS) BEFORE TAXATION	82.49
9.	PROVISION FOR TAXATION	16.36
10.	PROFIT (LOSS) AFTER TAXATION	66.13
11.	% OF SHAREHOLDING	100%



Form No. SH-13 Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]

To,
Raunaq EPC International Limited
20 K.M. Mathura Road, P.O. Box 353
P.O. Amar Nagar, Faridabad-121 003
Haryana

I/We _____ the holder(s) of the securities
particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons
in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

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

(2) PARTICULARS OF NOMINEE/S

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

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

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with the minor nominee:

Name:

Address:

Name of the Security Holder(s)

Signature

Witness with name and address

Signature



Form No. SH-14
Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and rule 19(9) of the Companies
(Share Capital and Debentures) Rules 2014]

To,
Raunaq EPC International Limited
20 K.M. Mathura Road, P.O. Box 353
P.O. Amar Nagar, Faridabad-121 003
Haryana

I/We hereby cancel the nomination(s) made by me/us in favor of _____
_____ (name and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of _____ as
nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities
in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled /varied)

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

(2) (a) PARTICULARS OF THE NEW NOMINEE:

- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:
- vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR

- i. Date of birth:
- ii. Date of attaining majority:
- iii. Name of guardian:
- iv. Address of guardian:

(3) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with the minor nominee:

Signature

Name of the Security Holder(s)

Witness with name and address



Specimen Signature
(As per application/transfer deed)

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NOTES: 1. IN CASE THE SPACE IS NOT SUFFICIENT PLEASE ATTACH A SEPARATE SHEET.
2. THE ABOVE PROFORMA MAY BE FILLED AND RETURNED EVEN IF THERE IS NO CHANGE IN THE PARTICULARS.



RAUNAQ EPC INTERNATIONAL LIMITED

REGD. OFF.: 20 K.M., Mathura Road, P. O. Amar Nagar, Faridabad - 121 003 (Haryana) | www.raunaqinternational.com
CIN: L51909HR1965PLC034315