

# CORPORATE GOVERNANCE REPORT

For the Year ended 31 March, 2018

[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](http://www.raunaqinternational.com).

## 2. GOVERNANCE STRUCTURE

The Company’s Governance comprises a 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, 2018, the Board consists of 8 (Eight) 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:

- a. who in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a Promoter of the Company or its holding, subsidiary or associate Company;
- (ii) who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;

- c. apart from receiving Director's remuneration, has or had no material pecuniary relationship 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 material 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. who neither himself/herself nor any of his/her relatives:-
- 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;
  - 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 firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
    - 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 organisation 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;
- f. is not less than 21 years of age.

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.

It has been confirmed by all the Independent Directors of the Company that as on 31 March, 2018, they fulfill the criteria of being "Independent Director" as stipulated under Regulation 16 of the Regulations.

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 <sup>A</sup>	No. of Memberships/ Chairmanships in Board Committees <sup>B</sup>	
						Member	Chairman
1.	<sup>o</sup> Mr. Surinder Paul Kanwar	Chairman and Managing Director	5/5	Present	2	1	-
2.	<sup>o</sup> Mr. Sachit Kanwar	Joint Managing Director	5/5	Present	1	1	-
3.	<sup>o</sup> Mr. P.K. Mittal	Non-Executive Independent Director	5/4	Present	-	1	1
4.	Dr. Sanjeev Kumar	Non-Executive Independent Director	5/4	Absent	3	1	2
5.	Mr. V.K. Pargal	Non-Executive Independent Director	5/4	Present	2	1	-
6.	Mr. Gautam Mukherjee	Non-Executive Independent Director	5/5	Present	2	1	1
7.	Mr. N.V. Srinivasan	Non-Executive Director	5/4	Present	1	1	-
8.	<sup>e</sup> Mr. Satya Prakash Mangal	Non-Executive Independent Director	5/5	Present	NA	NA	NA
9.	Ms. Seethalakshmi Venkataraman	Non-Executive Independent Director	5/5	Present	-	-	-

<sup>A</sup>excluding directorship in Private Limited Companies, Alternate Directorship, Companies registered under Section 8 of the Companies Act, 2013 and Foreign Companies.

<sup>B</sup>For 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.

In terms of Regulation 25(1) of the Regulations, none of the Independent Director of the Company holds the position of the Independent Director in more than 7 (Seven) listed Companies, including Independent Directorship in Raunaq EPC International Limited and any such Director serving as a whole time Director in a listed Company is not serving as an Independent Director in more than 3 (Three) listed Companies including Raunaq EPC International Limited.

<sup>C</sup>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.

<sup>D</sup>Mr. P.K. Mittal is also providing professional/consultancy service to the Company in his individual capacity. Professional fees paid to him for the year 2017-18 is ₹ 1,96,000/- (Rupees One Lakh Ninety Six 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 his independence.

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).

<sup>E</sup>Resigned w.e.f. 15 February, 2018.

The terms of appointment of the Directors appointed at the Annual General Meeting of the Company held on 08 August, 2017 are available on the website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com).

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 2017-18 are available on the official website of the Company i.e. [www.raunaqinternational.com](http://www.raunaqinternational.com) under the link: <http://raunaqinternational.com/pdf/details-of-familiarization-programme-for-independent-directors-2017-2018.pdf>.

## B. Board Meetings

During the financial year 2017-18, 5 (Five) 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:-

- 26 May, 2017;
- 20 June, 2017;
- 08 August, 2017;
- 06 November, 2017; and
- 01 February, 2018

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 3 (Three) 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-2** gives the composition of the Audit Committee and attendance record of members of the Committee:

**Table-2**

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Dr. Sanjeev Kumar	Chairman	4/3
2.	Mr. P.K. Mittal	Member	4/4
3.	Mr. V.K. Pargal	Member	4/4
4.	Mr. Satya Prakash Mangal**	Member	4/4

\*\*During the year, Mr. Satya Prakash Mangal (the erstwhile Member of the Committee) ceased to be a member of the Committee due to his resignation w.e.f. 15 February, 2018. During the Financial Year 2017-18, 4 (Four) meetings of the Audit Committee were held and he was present at the said meetings.

Pursuant to the resignation of Mr. Satya Prakash Mangal w.e.f. 15 February, 2018, the Audit Committee has been reconstituted on 25 May, 2018 with the remaining members as per the requirements stipulated under the Companies Act, 2013 and the Regulations.

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.

Mr. V.K. Pargal, Authorised Chairman of the Committee in the absence of Dr. Sanjeev Kumar, Chairman of the Committee was present at the last Annual General Meeting to answer the queries of the shareholders to their satisfaction.

Mr. Kaushal Narula, Company Secretary of the Company upto 04 October, 2017 acted as Secretary to the Audit Committee Meetings held on 26 May, 2017 and 08 August, 2017 respectively.

Pursuant to his resignation, Ms. Chanchal Gupta, Company Secretary of Xlerate Driveline India Limited (Wholly Owned Subsidiary of Raunaq EPC International Limited) had been designated as Company Secretary of the Company w.e.f. 06 November, 2017 and she acted as Secretary to Audit Committee Meeting held on 01 February, 2018.



## 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:

- 26 May, 2017;
- 08 August, 2017;
- 06 November, 2017; and
- 01 February, 2018

## 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.
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;
- f. disclosure of any related party transactions.
- g. modified opinion(s) in the draft audit report.

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 4 (four) Directors as members. **Table-3** gives the composition of the Nomination and Remuneration Committee and the attendance record of the members of the committee.

**Table-3**

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

Dr. Sanjeev Kumar, Mr. P.K. Mittal and Mr. Gautam Mukherjee 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 2017-18, 2 (Two) meetings of the Nomination and Remuneration Committee were held. **Table-4** gives the details of the date and purpose of the meetings of Nomination and Remuneration Committee:-

**Table-4**

S.No.	Date of Meeting	Purpose
1.	26 May, 2017	<ul style="list-style-type: none"> <li>• Consideration and approval of the re-appointment of Mr. Surinder Paul Kanwar as Chairman and Managing Director of the Company for a further period of 5 (five) years w.e.f. 01 October, 2017.</li> <li>• Consideration and recommendation of the appraisal of Key Managerial Personnel (KMP) and Senior Management Personnel of the Company to the Board of Directors.</li> </ul>
2.	01 February, 2018	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.

Mr. P.K. Mittal, Authorised Chairman of the Nomination and Remuneration Committee in the absence of Dr. Sanjeev Kumar, Chairman of the Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

Mr. Kaushal Narula, Company Secretary of the Company upto 04 October, 2017 acted as Secretary to the Nomination and Remuneration Committee Meeting held on 26 May, 2017.

Pursuant to his resignation, Ms. Chanchal Gupta, Company Secretary of Xlerate Driveline India Limited (Wholly Owned Subsidiary of Raunaq EPC International Limited) had been designated as Company Secretary of the Company w.e.f. 06 November, 2017 and she acted as Secretary to the Nomination and Remuneration Committee Meeting held on 01 February, 2018.

#### 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.

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](http://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 01 February, 2018 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 2017-18, a separate meeting of the Independent Directors of the Company was held on 01 February, 2018 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 2017-18**

**Table-5**

(₹ In lacs)

NON-EXECUTIVE INDEPENDENT DIRECTORS				
Name of Members	Sitting Fees#		Salaries and Perquisites	Total
	Board Meetings	Committee Meetings		
Dr. Sanjeev Kumar	0.47	0.71	NIL	1.18
Mr. V.K. Pargal	0.47	0.53	NIL	1.00
Mr. P.K. Mittal	0.47	0.99	NIL	1.46
Mr. Gautam Mukherjee	0.58	0.18	NIL	0.76
Mr. N.V. Srinivasan	0.47	0.00	NIL	0.47
Mr. Satya Prakash Mangal***	0.58	0.64	NIL	1.22
Ms. Seethalakshmi Venkataraman	0.58	0.06	NIL	0.64
			Sub-Total (A)	6.73
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	98.28

# Inclusive of Service Tax @ 15% & GST @ 18% as applicable during the year.

\*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. 15 February, 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 Independent 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

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 "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/Debentures and other securities and also to issue Duplicate Share Certificates and other securities and matters related or incidental thereto.

The **Table-6** gives the composition of the Stakeholders' Relationship Committee and the attendance record of Members of the Stakeholders' Relationship Committee:

**Table-6**

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.

#### I. Stakeholders' Relationship Committee Meetings

During the Financial Year 2017-18, the Committee met 1(One) time on 26 May, 2017 and the Committee took note 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, 2017.

Mr. Kaushal Narula, Company Secretary of the Company upto 04 October, 2017 acted as Secretary to the Stakeholder's Relationship Committee as aforesaid and w.e.f. Ms. Chanchal Gupta, Company Secretary of Xlerate Driveline India Limited, 100% wholly owned subsidiary had been designated as the Company Secretary of the Company and acted as secretary to the said Committee.

#### II. 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
- Mr. Shalesh Kumar, Chief Financial Officer\*
- Mr. Kaushal Narula, Company Secretary\*\*
- Ms. Sukriti Manna, Company Secretary@
- Mr. Sachin Kumar Mittal, Chief Financial Officer@

\*Resigned w.e.f. 20 September, 2017.

\*\*Resigned w.e.f. 04 October, 2017.

@ Inducted w.e.f 25 May, 2018.

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.



### III. Status of Investor Complaints/Requests

No. of Complaints received during financial year 2017-18	NIL
No. of Complaints resolved to the satisfaction of stakeholders during financial year 2017-18	NOT APPLICABLE

No. of pending requests for share transfers, transmissions, dematerialisations and rematerialisations as on 31 March, 2018.

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](http://www.raunaqinternational.com).

The **Table-7** gives the composition of the CSR Committee:

S.No.	Name of Member	Designation
1.	Mr. Surinder Paul Kanwar	Chairman
2.	Mr. Sachit Kanwar	Member
3.	Mr. P.K. Mittal	Member
4.	Mr. Satya Prakash Mangal*	Member

\*Resigned w.e.f. 15 February, 2018.

Mr. Surinder Paul Kanwar is Chairman and Managing Director, Mr. Sachit Kanwar is Joint Managing Director and Mr. P.K. Mittal and Mr. Satya Prakash Mangal are the Non-Executive Independent Directors of the Company. Pursuant to the resignation of Mr. Satya Prakash Mangal w.e.f. 15 February, 2018, the CSR committee has been reconstituted on 25 May, 2018 with the remaining members.

### II. CSR Committee Meetings

The CSR Committee in its meeting held on 25 May, 2018 formed the view and recommended to the Board that the amount of Rs. 9.80 Lacs was required to be spent on CSR activities by the Company during the year 2017-18.

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 2017-18.

### 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-8** gives the composition of the Finance Committee.

**Table-8**

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

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 2017-18, 2 (Two) meetings of Finance Committee were held on 03 May, 2017 and 15 July, 2017 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-9** gives the composition of the Business Strategy Committee:

**Table-9**

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

\*Resigned w.e.f. 15 February, 2018.

\*\* Inducted w.e.f. 25 May, 2018.

The Committee has been reconstituted on 25 May, 2018 with said committee members, Dr. Sanjeev Kumar as Chairman and Mr. Surinder Paul Kanwar, Mr. Sachit Kanwar and Mr. P.K. Mittal as members.

During the Financial Year 2017-18, 1 (One) meeting of Business Strategy Committee was held on 27 November, 2017 to discharge the functions delegated to the Committee.

## 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 non-listed Indian subsidiary Company" of the Company in the preceding financial year 2016-17.

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).
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) under the link: [http://www.raunaqinternational.com/pdf/policy\\_on\\_material\\_subsidiaries.pdf](http://www.raunaqinternational.com/pdf/policy_on_material_subsidiaries.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

Mr. Kaushal Narula, Company Secretary of the Company upto 04 October, 2017 was the Compliance Officer of the Company till the even date.

Pursuant to his resignation, Ms. Chanchal Gupta, Company Secretary of Xlerate Driveline India Limited (XDIL), Subsidiary Company had been designated as the Company Secretary and Compliance Officer of the Company w.e.f. 06 November, 2017.

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

## 7. DIRECTORS

During the Financial Year 2017-18, the members of the Company, at their Annual General Meeting held on 08 August, 2017 approved the:

- re-appointment of Mr. Surinder Paul Kanwar as Chairman Cum Managing Director of the Company in terms of provisions of the Companies Act, 2013 as applicable for a further period of 5 (Five) years w.e.f. 01 October, 2017 on a token remuneration of Rupee One per month;
- 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.

### Re-Appointment of existing Non-Executive Rotational Directors

Mr. N.V. Srinivasan, Non Executive Director the Company, liable to retire by rotation in terms of provisions of the Companies Act, 2013 has offered himself to be re-appointed as Non-Executive Director in terms of Section 152 of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company.

Therefore, in terms of Section 152 of the Companies Act, 2013, it has been proposed to appoint Mr. N.V. Srinivasan as Non Executive Director at the ensuing Annual General Meeting (AGM) of the Company, liable to retire by rotation upto the conclusion of the next Annual General Meeting (AGM) of the Company in the Calendar year 2019.

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

The **Table-10** gives the information pertaining to the Non-Executive Director who is to be re-appointed in terms of the provisions of Section 152 of the Companies Act, 2013 respectively.

**Table-10**

S.No.	Particulars
1.	<p><b>Mr. N.V. Srinivasan, Director</b>  <b>Brief Resume:</b> Mr. N.V. Srinivasan, aged 74 years is a Non-Executive Director of the Company since 30 October, 2006. He is a Graduate in Mechanical Engineering. He has done MS in Industrial Engineering from University of Illinois and he is an MBA from Graduate School of Business of the University of Pittsburgh in USA. He has a vast experience of 48 years.                      Mr. N.V. Srinivasan doesn't hold the chairmanship/ membership of any Committee of the Board of Raunaq EPC International Limited and is a Director and Chairman/ Member of the Committees of the Board of the following other Companies:</p>

S.No.	Name of the Company in which interested	Committee Chairmanship/ Membership
1.	Bharat Gears Limited	<ul style="list-style-type: none"> <li>Nomination and Remuneration Committee - Member</li> </ul>
		<ul style="list-style-type: none"> <li>Stakeholders' Relationship Committee - Member</li> </ul>

As on 31 March, 2018, he does not hold any Share in the Company.

## 8. GENERAL BODY MEETINGS

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

### Annual General Meetings

**Table-11**

Financial Year	Venue	Date & Time	Special Resolution(s) Passed
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.
2014-15	HUDA Convention Centre, Sector-12 Faridabad-121007 (Haryana)	30.07.2015 11.30 A.M.	Yes Consideration and approval of Change of Name of the Company from "Raunaq International Limited" to "Raunaq EPC International Limited".

### Extra-ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31 March, 2018.

### Postal Ballot

There are no special resolutions passed during 2017-18 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-12**

Financial Results	Name(s) Of Newspapers	Date(s) of Publication
Quarter/Year ended 31 March, 2017	Financial Express* Jansatta (Hiindi)**	27 May, 2017
Quarter ended 30 June, 2017	Financial Express* Jansatta(Hindi)**	09 August, 2017
Quarter/Half Year ended 30 September, 2017	Financial Express* Jansatta (Hindi)**	07 November, 2017
Quarter/Nine Months ended 31 December, 2017	Financial Express* Jansatta (Hindi)**	03 February, 2018

\* 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](http://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](http://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 2016-17 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 Thursday, the 02 August, 2018 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 2018-19 shall be paid in advance to the BSE Limited.

## E. Market Price Data:

High and Low prices during each month of Financial Year 2017-18 on BSE Limited are as under:

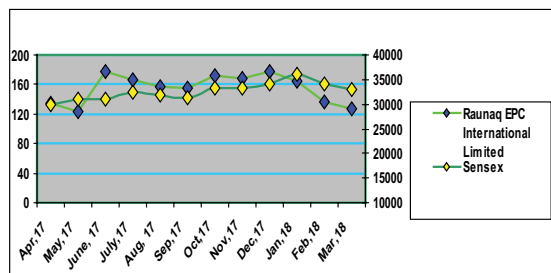
The Closing Price represents the price on the last trading day of each month of Financial Year 2017-18.

**Table-13**

Month	High (₹)	Low (₹)	Closing (₹)
April	140.00	127.50	133.90
May	136.50	120.75	124.20
June	177.95	118.20	177.95
July	195.85	154.80	166.30
August	176.50	142.20	157.05
September	174.95	144.10	155.30
October	184.00	150.55	172.05
November	219.95	162.10	168.80
December	188.00	161.25	178.35
January	191.95	163.00	163.70
February	171.00	134.00	137.25
March	149.00	117.00	127.00

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 (Formerly known as Intime Spectrum Registry 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  
44, Community Centre, IInd Floor,  
Naraina Phase-I, Near PVR Naraina,  
New Delhi-110028  
Ph: 011-41410592-94  
Fax: 011-41410591  
E-mail: [delhi@linkintime.co.in](mailto: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:

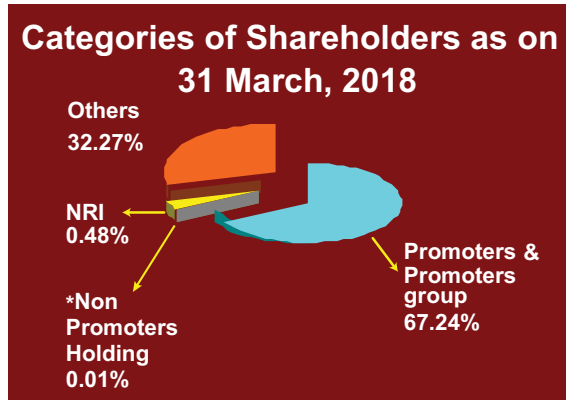
The Shares are accepted for registration of transfer at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal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

In order to have speedy disposal of the shareholders'/ investors' requests for transfers and transmissions, a sub-committee consisting of the Directors/Officers of the Company is in place for effecting Transfer/ Transmission/Split/Consolidation of Shares as detailed in Point 4 (C)(II) Sub Committee of this report.

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, 2018



\* Non Promoters Holdings are Negligible

**Table-14**

Category	No. of Shares Held	%age of Share holding
<b>A. Promoters' holding</b>		
1. Promoters		
- Indian Promoters	1486630	44.47
- Foreign Promoters	761325	22.77
2. Persons acting in Concert	-	-
<b>B. Non-Promoters' Holding</b>		
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	58024	1.74
b. Indian Public	963876	28.83
c. Non Resident Indians/Overseas	16178	0.48
d. Any Other	56993	1.70
<b>Total</b>	<b>3343243</b>	<b>100.00</b>

## I. Distribution of Shareholding as on 31 March, 2018:

**Table-15**

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 500	2434	162238	4.85
501 to 1000	157	119258	3.57
1001 to 2000	68	102010	3.05
2001 to 3000	21	54031	1.62
3001 to 4000	6	20875	0.62
4001 to 5000	17	76830	2.30
5001 to 10000	19	127085	3.80
10001 and above	23	2680916	80.19
<b>Total</b>	<b>2745</b>	<b>3343243</b>	<b>100.00</b>

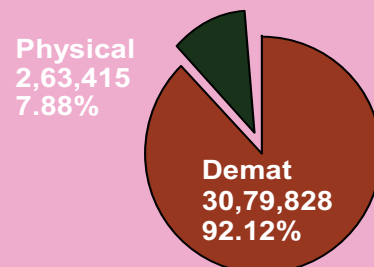
## J. Share Dematerialisation System:

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.

## Shares held in Demat/Physical Form as on 31 March, 2018



As on 31 March, 2018 a total of 30,79,828 equity shares of the Company of ₹ 10/- each, which form 92.12% of the paid up Equity Share Capital, stand dematerialized.

**Table-16**

PARTICULARS					
DEMAT				PHYSICAL	
NSDL		CDSL			
No. of shares	%	No. of shares	%	No. of shares	%
27,03,932	80.88	3,75,896	11.24	2,63,415	7.88

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 2009-10 to the IEPF on 20 August, 2017 i.e. upon completion of seven years from transfer of dividend into unclaimed dividend account, 41,559 (Forty One Thousand Five Hundred Fifty Nine) Equity shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2009-10 have been transferred into demat account of IEPF Authority.

Further, upon transfer of the unclaimed dividend for the year 2010-11 to the Investor Education and Protection Fund (IEPF) on 23 August, 2018 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 2010-11 (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 2018-19 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](http://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-17**

Financial Year	Rate (%)	Amount (₹ in Lacs)
<b>2017-18</b>	<b>NIL</b>	<b>NIL</b>
2016-17	NIL	NIL
2015-16	12	40.12
2014-15	10	33.43
2013-14	12	40.12

## N. Office locations:

The Company’s Registered Office is located at 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad, Pin - 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, 44, Community Centre, IInd Floor, Naraina Phase-I, Near PVR Naraina, New Delhi-110028, Phone No. 011-41410592-94, Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in).

### For Investor Assistance:

Ms. Sukriti Manna, 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](mailto:secretarial@raunaqintl.com).

## 11. OTHER DISCLOSURES

### A. Related Party Transactions:

During the year 2017-18, 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](http://www.raunaqinternational.com) under the link [http://www.raunaqinternational.com/pdf/related\\_party\\_transactions\\_policy.pdf](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.

### **Indian Accounting Standards (IND AS) – IFRS Converged Standards**

The Company has adopted “IND AS” w.e.f. 01 April, 2017. Accordingly, the Standalone and Consolidated Financial Statements for the financial year ended 31 March, 2018 have been prepared in accordance with IND AS. Explanations capturing areas of differences and reconciliations from Indian GAAP to Ind AS have been provided in the notes forming part of the 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 2017-18.

## **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](http://www.raunaqinternational.com).

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](http://www.raunaqinternational.com).

## **H. Policy on criteria for Determining Materiality of Events:**

The Policy on criteria for Determining Materiality of Events 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](http://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, 2018 was placed before the Board of Directors of the Company in its meeting held on 25 May, 2018.

## 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 has been posted at Company's official website i.e. [www.raunaqinternational.com](http://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 Exchanges 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](http://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. 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:

**Table-18**

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

### M. 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.

### N. 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.

### O. E-mail for investors:

The Company has designated [secretarial@raunaqintl.com](mailto: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.

### P. 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](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](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.

### Q. 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

Place: New Delhi  
Dated: 25 May, 2018

**DIN:00033524**

**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 2017-18 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.

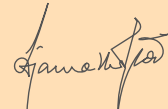
Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and we have disclosed to the Auditors and the Audit Committee, wherever 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 2017-18;
- 3) Significant changes in accounting policies during the year 2017-18 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: 25 May, 2018

**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 2017-18, 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**



**Sukriti Manna**  
Company Secretary



**Surinder Paul Kanwar**  
Chairman and Managing Director

Place: New Delhi  
Dated: 25 May, 2018



**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

We have examined the compliance of conditions of Corporate Governance by Raunaq EPC International Limited, hereinafter named as "the Company", for the financial year ended 31 March, 2018 as stipulated under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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  
Date: 25 May, 2018