

**Independent Auditors' Limited Review Report on the
Unaudited Standalone quarterly and year to date Financial Results**

**To the Board of Directors of
Raunaq EPC International Limited**

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Raunaq EPC International Limited** ("the Company") for the quarter and six months ended on September 30, 2019 ("the Statement") being submitted by the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). Attention is drawn to the fact that the figures of the cash flow statement for the corresponding period April 1, 2018 to September 30, 2018, as reported in these financials results have been approved by the Board of Directors, but have not been subjected to review by us, since the requirement of submission of cash flow statement has become mandatory from April 1, 2019.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on these standalone financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ("Ind-AS") specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular number CIR/CFD/CMD1/44/2019 dated March 29, 2019 of SEBI including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Sanjay Nath
Sanjay Nath
Partner
Membership No. 082700

UDIN: 19082700 AAAVJ 6152

Date: November 13, 2019
Place: New Delhi

**Independent Auditors' Limited Review Report on the
Unaudited Consolidated quarterly and year to date Financial Results**

**To the Board of Directors of
Raunaq EPC International Limited**

We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Raunaq EPC International Limited** ("the Holding Company") and its subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") for the quarter and six months ended on September 30, 2019 ("the Statement") being submitted by the Holding Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the figures of the cash flow statement for the corresponding period April 1, 2018 to September 30, 2018, as reported in these financials results have been approved by the Holding's Board of Directors, but have not been subjected to review by us, since the requirement of submission of cash flow statement has become mandatory from April 1, 2019.

This statement is the responsibility of the Holding Company's Management and has been approved by the Holding's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the consolidated financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Holding company personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

The Statement includes the result of the subsidiary (namely, Xlerate Driveline India Limited)

Based on our review conducted as above and based on the consideration of the review report of the other auditor referred to in paragraph below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ("Ind-AS") specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular number CIR/CFD/CMD1/44/2019 dated March 29, 2019 of SEBI including the manner in which it is to be disclosed, or that it contains any material misstatement.

We did not review the financial results of one subsidiary included in the consolidated unaudited financial results, whose financial results reflect total assets of Rs. 3024.15 lakhs as on 30 September 2019 and total revenue of Rs. 934.55 lakhs and Rs. 2040.38 lakhs and total comprehensive income / (loss) of (Rs. 55.23 lakhs) and (Rs. 33.25 lakhs) for the quarter ended 30 September 2019 and for the period from 1 April 2019



to 30 September 2019, respectively, and cash flows of Rs. 300.88 lakhs for the period from 1 April 2019 to 30 September 2019, as considered in the consolidated unaudited financial results. These financial results have been reviewed by another auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor and the procedures performed by us as stated above.

Our conclusion on the statement is not modified in respect of the above matter.

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



Sanjay Nath
Sanjay Nath
Partner

Membership No. 082700

UDIN: 19082700AAAAVI5353

Date: November 13, 2019
Place: New Delhi

RAUNAQ EPC INTERNATIONAL LIMITED

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(₹ in lakh)


S.No	PARTICULARS	Quarter Ended						Half Year Ended				Year Ended	
		Standalone			Consolidated			Standalone		Consolidated		Standalone	Consolidated
		30.09.2019 Unaudited	30.06.2019 Unaudited	30.09.2018 Unaudited	30.09.2019 Unaudited	30.06.2019 Unaudited	30.09.2018 Unaudited	30.09.2019 Unaudited	30.09.2018 Unaudited	30.09.2019 Unaudited	30.09.2018 Unaudited	31.03.2019 Audited	31.03.2019 Audited
1	Revenue from operations	329.93	539.57	1,175.17	1,261.07	1,640.87	2,257.29	869.50	2,355.76	2,901.94	4,529.16	4,627.58	9,281.69
2	Other Income	79.88	167.20	159.01	83.29	171.73	162.48	247.08	174.91	255.02	182.09	577.01	601.36
3	Total Revenue (1+2)	409.81	706.77	1,334.18	1,344.36	1,812.60	2,419.77	1,116.58	2,530.67	3,156.96	4,711.25	5,204.59	9,883.05
4	Expenses												
	a. Cost of materials consumed	225.41	106.19	818.86	934.91	830.19	1,611.46	331.60	1,501.79	1,847.10	3,125.98	2,878.75	6,209.14
	b. Employee benefits expense	149.82	163.42	241.56	239.01	251.81	317.82	313.24	449.58	490.82	595.97	859.29	1,167.14
	c. Finance Cost	101.40	91.13	130.37	132.61	125.79	147.61	192.53	178.28	258.40	212.51	391.96	462.45
	d. Depreciation and amortisation expense	18.63	18.43	20.82	43.59	42.78	40.31	37.06	41.82	86.37	80.44	80.37	154.59
	e. Irrecoverable balances written off	-	687.05	-	-	687.05	-	687.05	-	687.05	-	-	-
	f. Decrease in fair value of Investment	80.50	764.07	(19.36)	80.50	218.37	(19.36)	844.57	23.76	298.87	23.76	-	-
	g. Other expenses	199.86	193.49	296.04	330.57	418.97	460.94	393.35	593.05	667.52	898.50	1,620.78	2,433.80
	Total expenses	775.62	2,023.78	1,488.09	1,761.19	2,574.96	2,558.78	2,799.40	2,788.28	4,336.15	4,937.16	5,831.15	10,427.12
5	Profit / (Loss) before tax (3-4)	(365.81)	(1,317.01)	(153.91)	(416.83)	(762.36)	(139.01)	(1,682.82)	(257.61)	(1,179.19)	(225.91)	(626.56)	(544.07)
6	Tax expense												
	a. Current Tax (including prior period taxation)	-	-	-	-	-	-	-	-	-	-	-	-
	b. Deferred Tax	(82.32)	(373.99)	100.13	(88.11)	(166.35)	95.58	(466.33)	155.30	(254.46)	150.75	(98.94)	(82.58)
	Total tax expense	(92.32)	(373.99)	100.13	(88.11)	(166.35)	95.58	(466.31)	155.30	(254.46)	150.75	(98.94)	(82.58)
7	Net Profit / (Loss) for the period (5-6)	(273.49)	(943.02)	(254.04)	(328.72)	(596.01)	(234.59)	(1,216.51)	(412.91)	(924.73)	(376.66)	(527.62)	(461.49)
8	Other Comprehensive (loss) / Income												
	Items that will not be reclassified to statement of Profit and Loss												
	Re-measurement gains/ (Losses) on defined benefit plan	6.60	6.59	7.69	6.60	6.59	7.69	13.19	15.39	13.19	15.39	26.38	22.08
	Income tax effect	(1.61)	(1.71)	(2.00)	(1.61)	(1.71)	(2.00)	(3.32)	(4.00)	(3.32)	(4.00)	(6.86)	(5.74)
	Other Comprehensive Income (net of Tax)	4.99	4.88	5.69	4.99	4.88	5.69	9.87	11.39	9.87	11.39	19.52	16.34
9	Total Comprehensive Income after Tax (7+8)	(268.50)	(938.14)	(248.35)	(323.73)	(591.13)	(228.90)	(1,206.64)	(401.52)	(914.86)	(365.27)	(508.10)	(445.15)
10	Earnings Per Share [of Rs. 10 each (* Not annualised)]												
	Basic and Diluted (in Rs.)	*(6.18)	*(28.21)	*(7.60)	*(9.83)	*(17.83)	*(7.02)	*(36.39)	*(12.35)	*(27.66)	*(11.27)	(15.78)	(13.80)


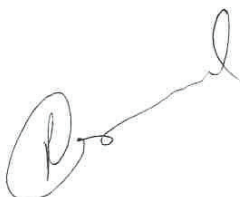
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Notes:	
1	The statutory auditors of the company have carried out limited review of the Standalone and Consolidated Financial results for the quarter and half year ended September 30, 2019, in compliance of Regulation 33 of SEBI (LODR) regulation, 2015. The above financial results have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors of the Company in their meeting held on November 13, 2019.
2	The Company is planning to divest 100% equity investment held by Company in its wholly owned Subsidiary Company M/s Xlerate Driveline India Limited. Accordingly the company has classified the investment in Subsidiary company as held for sale in accordance with Ind As -105 "Non- Current Asset Held for Sale and Discontinued Operations". The sale value of the Investment is determined based upon the independent valuation report.
3	The company is principally engaged in the business of Engineering contracting business. All other activities of the company revolved around the main business and accordingly, there is no separate reportable segment as per the Ind AS-108 "Operating Segment" specified under Section 133 of Companies Act, 2013.
4	Pursuant to taxation Laws (Amendment) Ordinance 2019, dated September 20, 2019, the company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year. The tax expense for the quarter and half year ended September 30, 2019 is after considering the impact of the revised tax rates. The impact of remeasurement of Deferred tax asset basis revised tax rate is insignificant.
5	Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and increase in cash outflows from financing activities on account of lease payments. Due to adoption of Ind AS 116, the profit before tax for the quarter is lower by Rs 8.04 lakhs in consolidated results.
6	Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period classification.
	Refer Annexure-1 for Consolidated and Standalone Balance Sheet and Annexure-2 for Consolidated and Standalone statement of Cash Flow.

Place: New Delhi
Date: November 13, 2019

For and on behalf of the Board of Directors

SURINDER P. KANWAR
Chairman & Managing Director

**Annexure:- 1 Balance Sheet as on 30th September 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Standalone		Consolidated	
	As at 30 Sept, 2019	As at 31 March, 2019	As at 30 Sept, 2019	As at 31 March, 2019
ASSETS				
Non-current assets				
Property, plant and equipment	480.67	504.49	480.67	1,453.57
Capital Work in Progress			-	38.18
Intangible assets	16.54	16.80	16.54	19.18
Financial assets				
a. Investments	200.47	1,987.19	200.47	499.49
b. Loans and advances	5.93	5.93	5.93	20.74
c. Trade receivables	1,593.26	2,299.03	1,593.26	2,299.03
d. Other financial assets	-	252.99	-	252.99
Deferred tax assets (Net)	727.48	264.49	506.83	471.47
Total non-current assets	3,024.35	5,330.92	2,803.69	5,054.65
Current assets				
Inventories	22.90	43.08	22.90	470.05
Investment held for sale	942.00	-	864.28	
Financial assets				
a. Trade receivables	1,656.75	2,365.59	1,656.75	3,505.44
b. Cash and cash equivalents	89.82	149.80	89.82	150.59
c. Bank balances other than (b) above	636.98	595.59	636.98	628.34
d. Loans and advances	31.96	12.15	31.96	13.63
e. Other financial assets	18.65	14.29	18.65	14.29
Current tax assets	115.57	103.25	115.57	104.44
Other current assets	575.34	664.04	575.34	675.53
Total current assets	4,089.97	3,947.79	4,012.25	5,562.31
Total assets	7,114.32	9,278.71	6,815.95	10,616.96
EQUITY AND LIABILITIES				
Equity				
Equity share capital	334.32	334.32	334.32	334.32
Other equity	2,721.29	3,927.91	2,422.92	3,337.74
Total equity	3,055.61	4,262.23	2,757.24	3,672.06
Liabilities				
Non-current liabilities				
Financial Liabilities				
a. Borrowings	433.04	221.36	433.04	576.36
Provisions	62.64	58.54	62.64	76.96
Total non-current liabilities	495.69	279.90	495.69	653.32
Current liabilities				
Financial liabilities				
a. Borrowings	370.98	366.18	370.98	754.51
b. Trade payables	1,909.22	3,295.13	1,909.22	4,117.20
c. Other financial liabilities	318.81	307.31	318.81	344.77
Other current liabilities	815.15	600.54	815.15	747.00
Provisions	148.86	167.42	148.86	328.10
Total current liabilities	3,563.02	4,736.58	3,563.02	6,291.58
Total liabilities	4,058.71	5,016.48	4,058.71	6,944.90
Total equity and liabilities	7,114.32	9,278.71	6,815.95	10,616.96
Significant accounting policies and notes to standalone financial statement				



Annexure:- 2 Statement of Cash Flow for the period ended 30th September, 2019

(All amounts in Rs. Lakhs, Unless otherwise stated)

Particulars	Standalone			Consolidated		
	Period Ended 30 Sep, 2019	Period Ended 30 Sep, 2018	Year Ended 31 March, 2019	Period Ended 30 Sep, 2019	Period Ended 30 Sep, 2018	Year Ended 31 March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES:						
Profit/ (Loss) before tax	(1,682.82)	(257.61)	(626.56)	(1,724.87)	(225.92)	(544.07)
Adjustments for:						
Net (gain)/Loss on fair value of financial assets through Statement of Profit & loss	844.57	23.76	(6.01)	844.57	23.76	(6.01)
Expected credit loss	32.31	-	14.17	32.31	-	14.17
Depreciation and amortization	37.06	41.82	80.35	86.37	80.44	154.57
Loss on sale of fixed Assets	4.21	2.98	7.64	4.21	2.98	7.64
Interest and other charges	192.53	178.28	391.96	227.85	210.74	458.45
Interest Income	(22.76)	26.44	(56.49)	(23.72)	(27.61)	(58.74)
Investment written off	-	-	-	-	-	-
Profit on sale of asset	(0.06)	(1.80)	(3.18)	(0.06)	(1.80)	(3.18)
Operating profit before working capital changes	(594.74)	13.87	(198.12)	(553.14)	62.59	22.83
Changes in working Capital						
Adjustments for (increase)/decrease in operating assets:						
Trade receivables	676.53	169.83	390.49	1,032.13	185.40	121.11
Inventories	20.18	77.56	233.44	(88.74)	(85.12)	185.73
Long Term loans & advances	-	0.20	0.20	-	0.20	0.20
Short term loans & advances	(19.81)	(3.88)	(4.23)	(19.61)	4.77	3.92
Non-current trade receivables	705.77	68.77	128.86	705.77	68.77	128.86
Other current financial assets	(4.36)	(1.41)	(0.90)	(5.21)	(2.46)	(0.90)
Other non current financial assets	252.99	18.55	(31.01)	252.76	14.03	(33.12)
Other current assets	77.72	(215.65)	(448.18)	68.26	(231.53)	(460.85)
Adjustments for increase/(decrease) in operating liabilities:						
Trade payables	(1,385.91)	225.86	327.39	(1,544.18)	318.57	498.85
provisions	(1.27)	(6.37)	10.15	21.39	85.87	58.96
Other current liabilities	250.36	64.14	(76.73)	171.34	3.01	(117.16)
Cash generated from operations	(22.53)	411.47	331.36	40.78	424.09	408.43
Direct Taxes paid (Net)	-	-	-	(0.60)	-	(1.01)
Net Cash from/ (used) in operating activities	(22.53)	411.47	331.36	40.18	424.09	407.42
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of fixed assets	(21.47)	(3.35)	(3.35)	(32.01)	(13.65)	(76.86)
Sale of fixed assets	4.30	6.56	17.27	4.30	6.56	17.27
Interest received	22.76	(26.44)	56.49	23.72	27.61	58.74
Investment in deposits	(42.74)	(95.97)	(54.76)	(42.74)	(95.97)	(56.78)
Net Cash from/ (used) in investing activities	(37.15)	(119.20)	15.65	(46.73)	(75.45)	(57.63)
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from long term borrowings	200.00	-	165.00	183.43	(18.46)	227.94
Proceeds (repayments) from short term borrowings	4.80	(112.39)	(100.04)	4.80	(112.39)	(100.04)
Repayment of long term borrowings	(11.23)	(13.34)	(24.12)	(11.23)	(13.34)	(24.12)
Interest and other charges paid	(192.53)	(178.28)	(391.96)	(228.44)	(210.74)	(458.45)
Dividend including dividend distribution Tax paid	(1.34)	(1.63)	(1.63)	(1.34)	(1.63)	(1.63)
Net Cash (used) / from financing activities	(0.30)	(305.64)	(352.75)	(52.78)	(356.56)	(356.30)
Net increase / (decrease) in cash and cash equivalents	(59.98)	(13.37)	(5.74)	(59.33)	(7.90)	(6.51)
Opening balance of Cash and cash equivalents *	149.80	155.54	155.54	150.59	157.10	157.10
Closing balance of Cash and cash equivalents *	89.82	142.18	149.80	91.26	149.21	150.59
Reconciliation of cash and cash equivalents as per the cash flow statements						
Particulars	Period Ended 30 Sep, 2019	Period Ended 30 Sep, 2018	Year Ended 31 March, 2019	Period Ended 30 Sep, 2019	Period Ended 30 Sep, 2018	Year Ended 31 March, 2019
(a) Cash and cash equivalents as per above comprise of the following						
Cash on hand	3.06	4.71	0.74	3.73	5.08	0.91
Balance with scheduled banks:						
in current accounts	86.76	137.47	149.06	87.53	144.13	149.68
Cash and cash equivalents at the end of the year	89.82	142.18	149.80	91.26	149.21	150.59

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