

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
Raunaq EPC International Limited

1. We have audited the accompanying statement of quarterly financial results of Raunaq EPC International Limited ('the Company') for the quarter and year ended March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/ FAC/ 62/ 2016 dated July 5, 2016 ('the Circular'). The financial results for the quarter and year ended March 31, 2018 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2017, the audited annual Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - ii. give a true and fair view of the net profit including other comprehensive income and other financial information for the quarter and year ended March 31, 2018,
4. The comparative financial information of the Company for the corresponding quarter and year ended March 31, 2017 included in these Ind AS financial results, are based on the previously issued standalone financial results prepared in accordance with the recognition and measurement principles of the Accounting Standards, specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and audited by the predecessor auditor whose report for the corresponding quarter and the year ended March 31, 2017 dated May 26, 2017 expressed an unmodified opinion on those financial results, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.



5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, as required under the Regulation and the Circular.

For B R Maheswari and Co LLP

Chartered Accountants

ICAI Firm Registration Number: 001035N/N500050

Sanjay Nath

Sanjay Nath

Partner

Membership No.: 082700



Place: New Delhi

Date: May 25, 2018

RAUNAQ EPC INTERNATIONAL LIMITED

Registered Office : 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad - 121003. (Haryana).

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E-mail : info@raunaqintl.com Website : www.raunaqinternational.com

CIN : L51909HR1965PLC034315

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2018

(₹ in lakh)

| S.N. | PARTICULARS | STANDALONE | | | | | CONSOLIDATED | |
|------|---|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Quarter Ended | | | Year Ended | | Year Ended | |
| | | 31.03.2018 Audited | 31.12.2017 (Unaudited) | 31.03.2017 Audited | 31.03.2018 Audited | 31.03.2017 Audited | 31.03.2018 Audited | 31.03.2017 Audited |
| 1 | Revenue from operations | 1,631.50 | 570.45 | 1,142.88 | 4,221.29 | 5,524.72 | 7,546.17 | 8,188.23 |
| 2 | Other Income | 174.94 | 11.27 | 241.09 | 336.08 | 323.91 | 357.00 | 333.02 |
| 3 | Total Revenue (1+2) | 1,806.44 | 581.72 | 1,383.97 | 4,557.37 | 5,848.63 | 7,903.17 | 8,521.25 |
| 4 | Expenses | | | | | | | |
| a. | Cost of materials consumed | 721.02 | 272.34 | 463.45 | 1,722.42 | 2,211.72 | 3,985.36 | 3,753.65 |
| b. | Employee benefits expense | 182.16 | 239.43 | 148.42 | 913.34 | 945.31 | 1,144.05 | 1,141.43 |
| c. | Finance Cost | 65.69 | 50.31 | 95.37 | 255.38 | 265.14 | 331.06 | 333.36 |
| d. | Depreciation and amortisation expense | 23.58 | 21.88 | 18.12 | 87.35 | 73.33 | 161.37 | 143.95 |
| e. | Other expenses | 856.17 | 129.65 | 608.59 | 1,737.26 | 2,083.12 | 2,481.11 | 3,051.32 |
| | Total expenses | 1,848.62 | 713.61 | 1,333.95 | 4,715.75 | 5,578.62 | 8,102.95 | 8,423.71 |
| 5 | Profit / (Loss) before tax (3-4) | (42.18) | (131.89) | 50.02 | (158.38) | 270.01 | (199.78) | 97.54 |
| 6 | Tax expense | | | | | | | |
| a. | Current Tax (including tax expense related to prior periods) | 11.87 | (9.00) | 5.74 | 11.87 | 76.91 | 11.87 | 76.91 |
| b. | Deferred Tax | (68.56) | 0.90 | (57.19) | (71.36) | (53.87) | (63.33) | (88.65) |
| | Total tax expense | (56.69) | (8.10) | (51.45) | (59.49) | 23.04 | (51.46) | (11.74) |
| 7 | Net Profit / (Loss) for the period (5-6) | 14.51 | (123.79) | 101.47 | (98.89) | 246.97 | (148.32) | 109.28 |
| 8 | Other Comprehensive Income (net of Tax) | | | | | | | |
| | Items that will not be reclassified to statement of Profit and Loss | | | | | | | |
| | Re-measurement gains/ (Losses) on defined benefit plan | 30.79 | - | 1.37 | 30.79 | 1.37 | 30.48 | 2.52 |
| | Income tax effect | (9.51) | - | (0.45) | (9.51) | (0.45) | (9.43) | (0.80) |
| | | 21.28 | - | 0.92 | 21.28 | 0.92 | 21.05 | 1.72 |
| 9 | Total Comprehensive Income after Tax (7+8) | 35.79 | (123.79) | 102.39 | (77.61) | 247.89 | (127.27) | 111.00 |
| 10 | Earnings Per Share [of Rs. 10 each (* Not annualised)] | | | | | | | |
| | Basic and Diluted (in Rs.) | *0.43 | *(3.70) | *3.04 | (2.96) | 7.39 | (4.44) | 3.27 |

Notes:

- The above financial results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on May 25, 2018.
- The Company has adopted Indian Accounting Standards ('Ind AS') from 01 April, 2017. The figures for the quarter and year ended 31st March, 2017 are Ind AS compliant.
- The figures for quarter and year ended 31st March, 2017 are also Ind AS compliant but these have not been subjected to limited review. However the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the state of the Company's affairs.
- (i) Reconciliation of net profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and year ended 31st March, 2017:

| S No | Particulars | Standalone | | Consolidated |
|------|---|---|---|--|
| | | Quarter ended 31 March, 2017 (Audited) | Year ended 31 March, 2017 (Audited) | Year ended 31 March, 2017 (Audited) |
| A | Net Profit as per previous Indian GAAP | 60.52 | 206.02 | 37.20 |
| a | On account of measuring investments at fair value through profit and loss | 152.22 | 152.22 | 152.22 |
| b | On account of re measurement gain on defined benefit plan | (1.37) | (1.37) | (2.52) |
| c | On account of expected credit loss | (164.86) | (164.86) | (164.86) |
| d | Tax adjustments on above items (net) | 54.96 | 54.96 | 87.24 |
| | Net Profit for the year as per Ind AS | 101.47 | 246.97 | 109.28 |
| | Total comprehensive income (Net of Tax) | 0.92 | 0.92 | 1.72 |
| B | Total comprehensive income after Tax | 102.39 | 247.89 | 111.00 |

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(ii) Reconciliation of equity as previously reported on account of transition from the previous Indian GAAP to Ind AS as at 31st March, 2017:

| S No | Particulars | As at 31 March, 2017 (Audited) | |
|----------|---|-----------------------------------|-----------------|
| | | Standalone | Consolidated |
| A | Equity (shareholder's funds) as per Indian GAAP | 4,804.50 | 4,054.83 |
| | Adjustment: | | |
| a | Impact of measurement of certain receivables at fair value | (222.42) | (222.42) |
| b | Proposed Dividend together with tax thereon | - | - |
| c | Impact of measurement of Quoted Investment | 192.33 | 192.33 |
| d | Deferred Tax | - | 271.20 |
| e | Reclassification of preference share capital as borrowing under non current financial liabilities | - | (125.00) |
| f | Tax Impact | 73.53 | 73.53 |
| B | Equity as per Ind AS | 4,847.94 | 4,244.47 |

5 Figures for the quarter ended 31st March 2018 are the balancing figures between audited figures in respect of the full financial year upto 31st March 2018 and year to date figures up to 31st December 2017 being the date of end of the third quarter of the financial year.

6 The company is primarily engaged in the EPC business and all other activities revolving around the same. As such there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments"

7 Consolidated Reporting of Segment Wise Revenue, Results and Capital Employed for the year ended 31st March 2018:

a As per Ind AS-108 "Operating Segment" The Group has considered business segment as the reportable segment for the purpose of segment reporting disclosure. The business segments are construction activity [civil, mechanical and engineering] and manufacturing of Automobile Components. The above segment have been identified taking into account the organisation structure as well as the differing risks and returns of these segments and so the Segment revenues, expenses, assets and liabilities.

| S No | Particulars | Year ended 31st March 2018 | | | Year ended 31st March 2017 | | |
|------|---------------------|----------------------------|------------------------|-----------|----------------------------|------------------------|-----------|
| | | Construction Activity | Auto Mobile Components | Total | Construction Activity | Auto Mobile Components | Total |
| a | Segment Revenue | 4,221.29 | 3,324.88 | 7,546.17 | 5,524.72 | 2,663.51 | 8,188.23 |
| b | Segment Expenses | 4,715.75 | 3,387.20 | 8,102.95 | 5,578.62 | 2,845.09 | 8,423.71 |
| c | Segment Profit | (494.46) | (62.32) | (556.78) | (53.90) | (181.58) | (235.48) |
| d | Segment Assets | 8,025.48 | 2,523.12 | 10,548.60 | 8,584.00 | 2,220.03 | 10,804.03 |
| e | segment Liabilities | 4,742.86 | 1,688.54 | 6,431.40 | 5,423.38 | 1,198.90 | 6,622.28 |

b The revenue of the Group from the external customers are attributed to (i) the Group's country of domicile i.e. India and (ii) all foreign countries in total from which the Group derives revenue.

| S No | Particulars | Year ended 31 March, 2018 | Year ended 31 March, 2017 |
|------|---------------|------------------------------|------------------------------|
| a | Within India | 7,430.52 | 8,084.19 |
| b | Outside India | 115.65 | 104.04 |
| | Total | 7,546.17 | 8,188.23 |

7 Previous year figures have been regrouped wherever necessary.

8 The Statutory Auditors of the Company have audited the financial results for the year ended 31st March 2018.

RAUNAQ EPC INTERNATIONAL LIMITED

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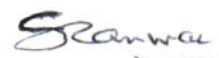
STANDALONE AND CONSOLIDATED AUDITED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

| Particulars | STANDALONE | | | CONSOLIDATED | | |
|---------------------------------------|------------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2017 |
| ASSETS | | | | | | |
| Non-Current assets | | | | | | |
| Property, Plant and Equipment | 595.62 | 547.88 | 594.37 | 1,577.38 | 1,582.79 | 1,646.00 |
| Capital work in progress | | | | 5.18 | 1.06 | 20.59 |
| Other Intangible Assets | 24.42 | 36.91 | 35.45 | 27.83 | 41.96 | 42.14 |
| Financial Assets | | | | | | |
| a. Investments | 1,981.18 | 1,827.00 | 1,674.78 | 493.48 | 339.30 | 187.08 |
| b. Loans and Advances | 6.13 | 6.13 | 7.16 | 18.83 | 22.93 | 17.91 |
| c. Trade Receivable | 2,427.89 | 944.29 | 166.34 | 2,427.89 | 944.29 | 166.34 |
| d. Other Financial Assets | 221.98 | 110.61 | 423.40 | 221.98 | 110.60 | 423.40 |
| Deferred Tax Assets (Net) | 172.40 | 110.55 | 57.14 | 394.62 | 340.72 | 252.89 |
| Other non current assets | | | | - | - | 2.00 |
| Total Non-Current Assets | 5,429.62 | 3,583.37 | 2,958.65 | 5,167.19 | 3,383.65 | 2,758.35 |
| Current Assets | | | | | | |
| Inventories | 276.52 | 40.98 | 263.05 | 655.78 | 278.87 | 495.84 |
| Financial Assets | | | | | | |
| a. Trade Receivables | 2,770.25 | 3,823.26 | 4,930.59 | 3,640.73 | 4,501.94 | 5,509.63 |
| b. Cash and Cash Equivalents | 144.27 | 287.51 | 458.80 | 145.82 | 288.87 | 464.97 |
| c. Bank balances other than (b) above | 542.46 | 899.13 | 835.34 | 573.19 | 922.49 | 857.14 |
| d. Loans and Advances | 7.92 | 10.91 | 16.13 | 17.55 | 24.25 | 45.31 |
| e. Other Financial Assets | 13.39 | 24.53 | 35.81 | 13.39 | 25.16 | 93.45 |
| Current Tax Assets | 65.09 | 53.11 | 180.47 | 65.27 | 53.28 | 180.64 |
| Other Current Assets | 263.66 | 205.54 | 392.87 | 269.68 | 223.10 | 398.71 |
| Total Current Assets | 4,083.56 | 5,344.97 | 7,113.06 | 5,381.41 | 6,317.96 | 8,045.70 |
| Total Assets | 9,513.18 | 8,928.34 | 10,071.71 | 10,548.60 | 9,701.61 | 10,804.06 |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | | | | | | |
| Equity Share Capital | 334.32 | 334.32 | 334.32 | 334.32 | 334.32 | 334.32 |
| Other Equity | 4,436.01 | 4,513.62 | 4,314.02 | 3,782.88 | 3,910.15 | 3,847.46 |
| Total Equity | 4,770.33 | 4,847.94 | 4,648.35 | 4,117.20 | 4,244.47 | 4,181.78 |
| Liabilities | | | | | | |
| Non-Current Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| a. Borrowings | 79.27 | 2.97 | 44.12 | 204.27 | 127.97 | 169.12 |
| Provisions | 109.61 | 113.29 | 113.26 | 118.98 | 119.69 | 119.42 |
| Total Non-Current Liabilities | 188.88 | 116.26 | 157.38 | 323.25 | 247.66 | 288.55 |
| Current Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| a. Borrowings | 466.22 | 415.72 | 356.25 | 1,021.61 | 951.77 | 716.40 |
| b. Trade Payables | 2,967.74 | 2,875.27 | 3,951.82 | 3,618.35 | 3,318.85 | 4,300.69 |
| c. Other Financial Liabilities | 282.51 | 193.64 | 254.07 | 339.07 | 221.84 | 284.00 |
| Other Current Liabilities | 704.91 | 333.08 | 505.66 | 879.89 | 455.56 | 702.20 |
| Provisions | 132.59 | 146.43 | 198.20 | 249.23 | 261.46 | 330.44 |
| Total Current Liabilities | 4,553.97 | 3,964.14 | 5,265.98 | 6,108.15 | 5,209.48 | 6,333.73 |
| Total liabilities | 4,742.85 | 4,080.40 | 5,423.37 | 6,431.40 | 5,457.14 | 6,622.28 |
| Total Equity and Liabilities | 9,513.18 | 8,928.34 | 10,071.71 | 10,548.60 | 9,701.61 | 10,804.06 |

For and on behalf of the Board of Directors

Place: New Delhi
Date: 25th May, 2018

SURINDER P. KANWAR
Chairman & Managing Director