



RAUNAQ EPC INTERNATIONAL LIMITED

(AN ISO 9001: 2008 Company)

REIL/SEC/BSE/4/FEBRUARY 2021-2022

February 22, 2022

The Manager (Listing)

BSE Limited

1st Floor, New Trading Ring

Rotunda Building

PJ Towers, Dalal Street

Fort, Mumbai – 400001

STOCKCODE: 537840

Kind Attention: Mr. Harshad Naik

Sub: Outcome of Board Meeting 4/21-22

Re: Discrepancies in Consolidated Financial Results
(Your e-mail dated February 14, 2022)

Dear Sir,

With reference to the above captioned e-mail received from your good office wherein the Exchange has advised to upload the revised outcome w.r.t. Unaudited Financial Results for the quarter ended December 31, 2021 due to "**Discrepancy: Limited Review not submitted for Consolidated Financial Result**", we wish to inform that the consolidation of the Financial Results of the Company for the quarter ended December, 31, 2021 was not required since the Company does not have any subsidiary as on December 31, 2021. The figures for consolidated Financial Results for the quarter ended December 31, 2021 are similar with the Standalone Financial Results for the said quarter and have been provided separately only for comparison purpose with the preceding quarters.

In this regard, please find attached a detailed clarification by the Statutory Auditors of the Company M/s B R Maheswari & Co. LLP, Chartered Accounts along with the Un-Audited Financial Results of the Company for the quarter ended December 31, 2021 and Limited Review Report on Standalone Financial Results as approved by the Board of Directors of the Company at its Meeting held on February 08, 2022 in terms of Regulation 33 of the Regulations, already filed with the Exchange within the prescribed time limits.

You are requested to kindly take the same on records.

We shall be highly obliged.

Thanking you,

Yours faithfully,

For Raunaq EPC International Limited


Kaushal Narula
Authorised Officer

Encl: As above



To,
The Bombay Stock Exchange
BSE Limited, P J Towers, Dalal Street,
Mumbai -400001, India

Sub: Submission of "Discrepancies in consolidated Financial Statement" for Raunaq EPC International Limited (Hereinafter known as "Company").

Dear Sir/Madam,

We are in receipt of your E-mail dated February 14, 2022, regarding the non-submission of consolidated financial statement for quarter ending December 31, 2021 of Raunaq EPC International. We would like to inform you that consolidation was not required as On December 31, 2021 and Limited review for consolidated financial results were not applicable.

As per IND-AS 110 Para Number 20, *"Consolidation of an investee shall begin from the date of investor obtain control of the investee and ceases when the investor loses control of the investee"*

As per IND-AS 34, Para Number 14, "An interim financial report is prepared on a consolidated basis if the entity's most recent annual financial statements were consolidated statements. The parent's separate financial statements are not consistent or comparable with the consolidated statements in the most recent annual financial report. If an entity's annual financial report included the parent's separate financial statements in addition to consolidated financial statements, this Standard neither requires nor prohibits the inclusion of the parent's separate statements in the entity's interim financial report.

The facts are stated as under,

- A) Raunaq EPC International Limited was holding 100% equity shares of Xlerate Driveline India Limited till 16/09/2020 and was treated as wholly owned subsidiary.
- B) On 17/09/2020 the company sold of 82,14,000 number of shares i.e., 55.21 % of equity shares of Xlerate Driveline India Limited and retaining 44.79%.
- C) Further on 02/11/2020 the company sold of 29,56,879 number of shares i.e., 19.88% of equity shares of Xlerate Driveline India Limited and retaining 24.91%. Therefore, in December 2020 it treated Xlerate Driveline India Limited as an associate company.
- D) For year ending March 31, 2021 M/s Xlerate Driveline India Limited was treated as an associate company for consolidation purposes. The same continued for quarter ending June 30, 2021.

- E) On September 16, 2021, the company sold off its remaining holding of 37,06,153 number of shares i.e., 24.91% in Xlerate Driveline India Limited and thus gave up its control and management entirely.
- F) For quarter ending September 30, 2021 consolidation was done on pro rata basis up to September 16, 2021 only and results were declared accordingly.
- G) In quarter ending December 31, 2021 the company Raunaq EPC International Limited was not holding any equity in in Xlerate Driveline India Limited and thus no consolidation was either done nor any report submitted. The previous year figures were of the consolidated results only as per the requirement of IND AS-34.

Therefore, consolidation is not required as at December 2021.

We hope our submission meets the requirements raised by your office, in case if you require any further clarification/submission on this, we would be happy to provide the same.

Best Regards

For B R Maheshwari & Co. LLP
Chartered Accountants

SANJAY
NATH
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by SANJAY NATH
Date: 2022.02.21
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CA Sanjay Nath
(Partner)

Place: New Delhi

**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 nine months ended on December 31, 2021 ("the Statement") being submitted by the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

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

Date: February 8, 2022
Place: New Delhi

UDIN: 22082700AATUJV4405

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(**₹ in lakhs**)

S.No	Particulars	Quarter Ended						Nine Months Ended				Year Ended	
		Standalone			Consolidated			Standalone		Consolidated		Standalone	Consolidated
		31.12.2021 Unaudited	30.09.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	30.09.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	31.12.2020 Unaudited	31.03.2021 Audited	31.03.2021 Audited
1	Revenue from Operations	105.47	46.75	259.44	105.47	46.75	259.44	259.65	680.33	259.65	680.33	987.13	987.13
2	Other Income	22.05	176.02	81.63	22.05	176.02	81.63	282.91	530.36	282.91	530.36	522.56	522.56
3	Total Revenue (1+2)	127.52	222.77	341.07	127.52	222.77	341.07	542.56	1,210.69	542.56	1,210.69	1,509.69	1,509.69
4	Expenses												
	a. Cost of Materials Consumed	66.16	0.60	7.11	66.16	0.60	7.11	70.64	35.29	70.64	35.29	42.05	42.05
	b. Changes in Inventory of Work-in-Progress	(61.56)	13.11	(32.61)	(61.56)	13.11	(32.61)	(24.12)	40.34	(24.12)	40.34	77.54	77.54
	c. Employee Benefits Expense	70.57	73.16	106.05	70.57	73.16	106.05	216.41	294.85	216.41	294.85	365.38	365.38
	d. Finance Cost	15.37	29.75	31.84	15.37	29.75	31.84	74.03	118.96	74.03	118.96	149.21	149.21
	e. Depreciation and Amortisation Expense	8.60	10.20	17.89	8.60	10.20	17.89	31.74	57.48	31.74	57.48	74.67	74.67
	f. Bad Debts Written off	-	-	-	-	-	-	-	-	-	-	165.72	165.72
	g. Allowance for Expected Credit Loss	(0.14)	0.23	0.71	(0.14)	0.23	0.71	(0.69)	174.53	(0.69)	174.53	9.36	9.36
	h. Other Expenses	102.21	96.07	166.96	102.21	96.07	166.96	324.94	363.15	324.94	363.15	631.12	631.12
	Total Expenses	201.21	223.12	297.95	201.21	223.12	297.95	692.95	1,084.60	692.95	1,084.60	1,515.05	1,515.05
5	Profit / (Loss) before share of Profit / (Loss) of Associate (3+4)	(73.69)	(0.35)	43.12	(73.69)	(0.35)	43.12	(150.39)	126.09	(150.39)	126.09	(5.36)	(5.36)
6	Share of Profit / (Loss) of Associate	-	-	-	-	37.44	19.94	-	-	-	19.94	-	34.89
7	Profit / (Loss) before Exceptional Items and Tax (5+6)	(73.69)	(0.35)	43.12	(73.69)	37.09	63.06	(150.39)	126.09	(150.39)	146.03	(5.36)	29.53
8	Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-
9	Profit / (Loss) before Tax (7-8)	(73.69)	(0.35)	43.12	(73.69)	37.09	63.06	(150.39)	126.09	(150.39)	146.03	(5.36)	29.53
10	Tax Expense												
	a. Current Tax (including Prior Period Taxation)	-	-	-	-	-	-	-	-	-	-	-	-
	b. Deferred Tax	0.04	14.56	18.97	0.04	14.56	18.97	(2.01)	29.24	(2.01)	29.24	24.35	24.35
	Total Tax Expense	0.04	14.56	18.97	0.04	14.56	18.97	(2.01)	29.24	(2.01)	29.24	24.35	24.35
11	Net Profit / (Loss) for the Period (9-10)	(73.73)	(14.91)	24.15	(73.73)	22.53	44.09	(148.38)	96.85	(148.38)	116.79	(29.71)	5.18
	Profit / (Loss) for the Period attributable to:												
	Equity holders of the Company	(73.73)	(14.91)	24.15	(73.73)	22.53	44.09	(148.38)	96.85	(148.38)	116.79	(29.71)	5.18
	Non- Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-
12	Other Comprehensive (Loss) / Income												
	Items that will not be Reclassified to Statement of Profit and Loss												
	Re-measurement Gains/ (Losses) on Defined Benefit Plan	(0.64)	(0.64)	2.80	(0.64)	(0.64)	2.80	(1.92)	8.40	(1.92)	8.40	(2.56)	(2.56)
	Income Tax Effect	-	-	-	-	-	-	-	-	-	-	-	-
	Other Comprehensive Income (Net of Tax)	(0.64)	(0.64)	2.80	(0.64)	(0.64)	2.80	(1.92)	8.40	(1.92)	8.40	(2.56)	(2.56)
13	Total Comprehensive Income after Tax (11+12)	(74.37)	(15.55)	26.95	(74.37)	21.89	46.89	(150.30)	105.25	(150.30)	125.19	(32.27)	2.62
	Total Comprehensive Income for the Period attributable to:												
	Equity holders of the Company	(74.37)	(15.55)	26.95	(74.37)	21.89	46.89	(150.30)	105.25	(150.30)	125.19	(32.27)	2.62
	Non- Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-
14	Earnings Per Share [of Rs. 10 each (* Not Annualised)]												
	Basic and Diluted (in Rs.)	*(2.21)	*(0.45)	*0.72	*(2.21)	*(0.67)	*1.32	*(1.39)	*2.90	*(1.39)	*3.50	(0.89)	0.15

Notes:

- 1 The statutory auditors of the company have carried out limited review of the Standalone and Consolidated Financial results for the quarter and nine months ended December 31, 2021, 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 08th February, 2022.
- 2 The company's operation have also been impacted by the unprecedented COVID-19 pandemic, including the current "second wave" which resulted in an interruption in Erection & Supply activity due to nationwide lockdown. The company has made an assessment of the impact of the pandemic on its operations and the carrying value of Plant & Machinery, Inventory, Receivables and other financial assets, by relying on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the company is confident of recovering the carrying value of these assets as at December 31, 2021.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- 3 The Company had divested 24.91% equity investment in Xlerate Driveline India Limited ("Associate Company") on September 16, 2021. Therefore the company does not have associate company as at December 31, 2021. Resultantly the figures of the earlier year are not comparable.
- 4 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.
- 5 Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period classification.

**SURINDER
PAUL KANWAR**

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SURINDER PAUL KANWAR
Chairman & Managing Director

Date: 08th February, 2022