

# ANNUAL REPORT 2005-2006

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# RAUNAQ INTERNATIONAL LIMITED

## RAUNAQ INTERNATIONAL LIMITED

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### **Board of Directors**

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

Mr. M. K. Vig

Mr. P. K. Mittal

Mr. Y. P. Gupta

Dr. Sanjeev Kumar

### **Management Executives**

Mr. P. C. Kothari

Mr. A. D. Jain

Mr. Ashwani Chaswal

Mr. Rajan Malhotra

### **Compliance Officer**

Mr. Ashish Pandey

### **Auditors**

M/s. V. P. Jain & Associates

### **Bankers**

Canara Bank

ING Vysya Bank Ltd.

Bank of Bahrain & Kuwait BSC

The Federal Bank Ltd.

State Bank of India

### **Registered Office**

20 K.M. Mathura Road

P. O. Amar Nagar,

Faridabad - 121 003. (Haryana)

### **Other Offices**

- 512, Surya Kiran Building,  
19, Kasturba Gandhi Marg,  
New Delhi- 110 001.
- 14th Floor, Hoechst House,  
Nariman Point, Mumbai-400 021.
- Mukherjee House  
17, Brabourne Road,  
Kolkata-700 001.

## RAUNAQ INTERNATIONAL LIMITED

### NOTICE

#### TO THE MEMBERS OF RAUNAQ INTERNATIONAL LIMITED

NOTICE is hereby given that the 41st Annual General Meeting of the Members of Raunaq International Limited will be held as under:

Day : Friday  
Date : 25th August, 2006  
Time : 11.30 A.M.  
Venue : Mahalakshmi Palace  
68, Neelam Bata Road,  
N.I.T, Faridabad -121 001

to transact the following business :

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31st March, 2006 together with Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. P.K. Mittal, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors for the year 2006-2007 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without, modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 257 and other applicable provisions of the Companies Act, 1956, Dr. Sanjeev Kumar who was appointed as an Additional Director of the Company on 25th May, 2006 and who holds the office of Director as such up to the date of the forthcoming Annual General Meeting and in respect of whom the Company has received a notice proposing his candidature for the office of Director, be and is hereby appointed to hold office as a Director liable to retire by rotation."

By Order of the Board



**Ashish Pandey**  
Manager (Secretarial)

Place: Faridabad  
Dated: 24th July, 2006

### NOTES:

- i. A member entitled to attend and vote is entitled to appoint for one or more proxies to attend and vote on a poll, instead of himself and the proxy need not be a member of the Company. The proxies in order to be valid and effective must be delivered duly completed in the enclosed format at the Registered Office of the Company not later than forty-eight hours before the scheduled time of commencement of the meeting.
- ii. NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.
- iii. Members/Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed at the entrance of the meeting for attending the meeting. No Attendance Slip shall be issued at the meeting.
- iv. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business set out above is annexed hereto and forms part of the Notice.
- v. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 17th August, 2006 to Friday, the 25th August, 2006 (both days inclusive).
- vi. The documents referred to in the accompanying Notice and Explanatory Statement and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 11.00 A.M. and 1.00 P.M. on all working days except Sundays up to the date of the Annual General Meeting and shall also be available at the venue of the Meeting.
- vii. Members seeking any further clarification/information relating to the Annual Accounts are requested to write at the registered office of the company at least ONE WEEK before the date of the Meeting i. e. on or before 18th August, 2006 so as to enable the management to keep the information ready at the Annual General Meeting.
- viii. The securities of the Company are listed on the Delhi Stock Exchange Association Limited, 3/1, Asaf Ali Road, New Delhi-110 002 and annual listing fee has been paid to the Stock Exchange up-to-date.
- ix. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends which remain unclaimed/unencashed for a period of 7 (seven) years from the date they became due for payment will be transferred to Investor Education and Protection Fund. The



Shareholders shall not be able to claim any unpaid dividend from the said Fund or from the Company thereafter.

- x. The unclaimed dividend for the financial year 1997-98 has already been deposited with the Investor Education and Protection Fund. The unclaimed dividend for the financial year 1998-99 shall be deposited with Investor Education and Protection Fund after 19th August, 2006. The same shall not be available for withdrawal after 19th August, 2006. The Shareholders who have not claimed dividend for the financial years 1998-99 to 1999-2000 are requested to forward their claims for revalidation of their dividend warrants.
- xi. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting. Members are requested to bring along their own copies to the meeting.
- xii. Members are requested to notify change in their addresses, bank details, bank mandate and nomination, if any, quoting their respective Folio Numbers and other particulars to the Registered Office of the Company. (Relevant Forms for nomination and updating of Shareholders information is enclosed at the end of the Annual Report.)
- xiii. Members holding shares in the same name under different folios are requested to apply for consolidation of such folios and send relevant share certificates.

#### **Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

##### **Item No. 4**

The members are informed that pursuant to Section 260 of the Companies Act, 1956, Dr. Sanjeev Kumar was appointed as an Additional Director by the Board of Directors of the Company at its Meeting held on 25th May, 2006 to hold office from 25th May, 2006 up to the date of Annual General Meeting of the Company. The Company has now received a notice from a member under Section 257 of the Companies Act, 1956 along with a security deposit of Rs. 500/- proposing the candidature of Dr. Sanjeev Kumar for the office of Director liable to retire by rotation. Accordingly, the matter of appointment of Dr. Sanjeev Kumar for the office of Director liable to retire by rotation, is being placed before the members of the Company.

##### **Nature of Concern or Interest of Directors:**

Except Dr. Sanjeev Kumar, no other Director is concerned or interested in the above appointment.

**By Order of the Board**

**Ashish Pandey**  
**Manager (Secretarial)**

Place: Faridabad  
Dated: 24th July, 2006

# RAUNAQ INTERNATIONAL LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the 41st Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the financial year ended on 31st March, 2006.

### FINANCIAL RESULTS

	(Rs./Lacs)	
	Financial Year Ended	
	31.03.2006	31.03.2005
Sales and Other Income	2157.63	898.04
Expenditure	2003.08	874.87
Interest	13.53	10.53
Gross Profit after interest	141.02	12.64
Depreciation	4.91	3.26
Profit Before Tax	136.11	9.38
Less: Provision for tax	49.27	4.65
	86.84	4.73
Less/Add: Short/(Excess)		
Provision of tax for earlier years	---	(0.77)
Profit After Tax	86.84	3.96
Profit brought forward from previous year	91.06	87.10
<b>Balance Carried Forward to Balance Sheet</b>	<b>177.89</b>	<b>91.06</b>

### BUSINESS OPERATIONS

During the year under review, as anticipated, the Sales & Other Income of the Company substantially improved by 240% to Rs. 2158 Lacs from Rs. 898 Lacs in the previous year. As a result, the Profit after Tax has substantially increased to Rs. 86.84 Lacs from Rs. 3.96 Lacs in the previous year. The above results are mainly due to increase in turnover, improved margins and strict cost control and monitoring. The Company has secured major orders aggregating to Rs. 3499.82 Lacs in the field of piping & ash water system for various clients. All customers have reposed their trust & confidence in your Company by awarding contracts.

### Future Outlook

The renewed emphasis of Central Government on Infrastructure Development is still continuing. The momentum built over last years has gathered pace with industry taking note of Government initiatives and coming forward with increasing the scale of industrial construction and infrastructure development. It is believed that the momentum

shall continue unabated and shall continue to generate new business as a whole for the Industry.

Power Sector is still open for many new business opportunities and the private as well as public sector companies have renewed their emphasis on investment in Power Projects in the country as whole. Power being the key to development, it is expected that next few years would witness substantial growth in this Sector.

The Company's order book position is healthy and it is expected that this trend shall continue in the coming years also. Thus, the outlook for the company looks to be bright.

### Compliance Certificate

In Compliance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001 the Company has obtained a certificate from M/s. S. Varshney & Co., Company Secretaries, New Delhi confirming that the Company has complied with all the provisions of the Companies Act, 1956 and a copy of such Certificate is attached to this report.

### Dividend

In order to strengthen the finance base of the Company, your Directors are not recommending any dividend on the equity shares of the company for the year under review. Also no amount is being proposed to transfer to any reserve in the Balance Sheet as at 31st March, 2006.

### Directors

In accordance with the Articles of Association of your Company, Mr. P. K. Mittal, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for reappointment.

Dr. Sanjeev Kumar has been appointed as an Additional Director of the Company by the Board in its meeting held on 25th May, 2006. He shall hold the office of the Director up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature as Director, liable to retire by rotation. The Board recommends the same.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



- ii) appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2006 and of the profits of the Company for the period ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts have been prepared on a going concern basis.

#### Personnel

Employees' relations continue to be cordial. There is no employee in the Company whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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

The information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

The particulars with respect to foreign exchange earning and out go are detailed below:

	2005-2006	2004-2005
C.I.F. VALUE OF IMPORTS	Rs.	Rs.
-Finished Goods	3,93,83,773	86,592
-Samples	7,913	Nil

Further, during the year under review, there was no foreign exchange earning.

#### Auditors

M/s. V. P. Jain & Associates, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

#### Auditors' Report

The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Note to the Accounts.

#### Acknowledgements

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

For and on behalf of the Board of Directors

Place : New Delhi

Surinder P. Kanwar

Dated : 25th May, 2006 Chairman & Managing Director



# RAUNAQ INTERNATIONAL LIMITED

Regn. No.05-34315  
Authorised Capital: Rs. 40 Crore

## COMPLIANCE CERTIFICATE

To,  
The Members  
RAUNAQ INTERNATIONAL LTD.  
20 K.M. Mathura Road,  
P.O. Amar Nagar, Faridabad-121 003

I have examined the registers, records, books and papers of Raunaq International Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2006. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure A to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure B to this certificate, with the Registrar of Companies, NCT of Delhi & Haryana or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited company, comments are not required.
4. The Board of Directors duly met four times respectively on 30/05/2005, 25/07/2005, 31/10/2005 and 27/01/2006 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 18/07/2005 to 25/07/2005 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31/03/2005 was held on 25/07/2005 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year under review.
8. The Company has not advanced any loan during the year under review to its directors and/or persons or firms or companies referred in the Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act during the year under review, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates to any of the members, during the financial year under review.
13. The Company has:
  - i. Delivered all the certificates on transfer of shares in accordance with the provisions of the Act.
  - ii. Not declared any dividend during the financial year under review.
  - iii. Not paid / posted warrants for dividends to any member of the Company as no dividend was declared during the financial year under review.
  - iv. Transferred Rs. 52,408/- in the unpaid dividend account pertaining to the financial year 1997-98, which has remained unpaid or unclaimed for a period of seven years to Investor Education and Protection Fund.
  - v. Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Director during the financial year under review has been duly made.
15. The Company has not appointed any Managing Director/ Whole-time Director/Manager during the financial year under review.
16. The Company has not appointed any sole selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the year under review.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.





21. There was no redemption of preference shares/debentures during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A and Section 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year under review.
24. The amount borrowed by the Company during the financial year under review are within the borrowing limits of the Company and the Company has complied with the provisions of Section 293(1)(d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to any other body corporate during the financial year under review and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. As per information given to me, there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment were imposed on the Company during the financial year under review for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year under review.
33. The Company has deposited both employee's and employer's contribution to provident fund with prescribed authorities pursuant to Section 418 of the Act.

**For M/s S.Varshney & Co.**  
Company Secretaries

sd/-  
**Avneet Kumar**  
(Proprietor)  
C.P. No. 4541

Place : New Delhi  
Date : 25th May, 2006

## **ANNEXURE - A**

### **List of Statutory Registers Maintained**

1. Register of Members u/s 150(1)
2. Register of Index of Members u/s 151(1)
3. Minutes Book of proceedings of General Meetings u/s 193(1) and 196(1)
4. Minutes Book of Board Meetings u/s 193(1)
5. Books of Account and other records u/s 209(1) and 209A(1)
6. Register of Directors u/s 303(1)
7. Register of Directors' Shareholdings u/s 307(1)
8. Register of Contracts with Directors/ Companies/Firms in which Directors are interested u/s 301(1) & (5)
9. Register of Contracts, Companies and Firms in which Directors etc. are interested u/s 301(3)
10. Register of Transfer of Shares
11. Register of Mortgages & Charges
12. Register of Investments or Loans u/s 372A
13. Register of Directors' Attendance