



RAUNAQ INTERNATIONAL LIMITED

Annual Report 2008-2009

RAUNAQ INTERNATIONAL LIMITED



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**BOARD OF DIRECTORS**

Mr. Surinder P. Kanwar,
Chairman & Managing Director

Mr. Sachit Kanwar,
Executive Director
(Appointed by Board w.e.f. 1st April, 2009)

Mr. M. K. Vig

Mr. P. K. Mittal

Dr. Sanjeev Kumar

Mr. G. Venkataraman

Mr. N.V. Sirinivasan

Mr. Gautam Mukherjee

INVESTORS' GRIEVANCE COMMITTEE

Mr. Surinder P. Kanwar

Mr. P. K. Mittal

Mr. Ashish Pandey

Mr. P. C. Kothari

REMUNERATION COMMITTEE

Dr. Sanjeev Kumar

Mr. M. K. Vig

Mr. Gautam Mukherjee

MANAGEMENT EXECUTIVES

Mr. Rajan Malhotra (*CEO*)

Mr. P. C. Kothari

Mr. A. D. Jain

Mr. Ashwani Chaswal

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 44th Annual General Meeting of the Members of the Company will be held as under:

Day : Thursday
 Date : July 30, 2009
 Time : 11.00 A.M.
 Venue : Faridabad Industries Association,
 FIA House, Bata Chowk,
 Faridabad –121 001,
 Haryana

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the Company for the year ended March 31, 2009 together with Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. P. K. Mittal, who retires by rotation and is eligible for re-appointment.
4. To appoint Statutory Auditors for the financial year 2009-2010 and fix their remuneration.

SPECIAL BUSINESS

5. To consider the appointment of Mr. Gautam Mukherjee as Director of the Company and pass the following as Ordinary Resolution, with or without, modification(s):

“RESOLVED THAT Mr. Gautam Mukherjee who was appointed as Additional Director of the Company by the Board of Directors in its meeting held on March 23, 2009 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 in writing proposing his candidature for the office of director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

6. To consider the appointment of Mr. G. Venkataraman as Director of the Company and pass the following as Ordinary Resolution, with or without, modification(s):

“RESOLVED THAT Mr. G. Venkataraman who was appointed as Additional Director of the Company by the Board of Directors in its meeting held on March 23, 2009 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 in writing proposing his candidature for the office of director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

7. To consider the appointment of Mr. Sachit Kanwar as Director of the Company and pass the following as Ordinary Resolution, with or without, modification(s):

“RESOLVED THAT Mr. Sachit Kanwar who was appointed as Additional Director of the Company by the Board of Directors in its meeting held on March 23, 2009 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 in writing proposing his candidature for the office of director, be and is hereby appointed as Director of the Company and shall not be liable to retire by rotation.”

8. To consider the appointment of Mr. Sachit Kanwar as Executive Director of the Company and pass the following as Special Resolution, with or without, modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendments, modifications, or re-enactments thereof) and subject to the approval of Central Government, if required and other requisite approvals, if required, in this regard, Mr. Sachit Kanwar be and is hereby appointed as Executive Director of the Company w.e.f. April 1, 2009 for a period of three (3) years on the following terms and conditions:

- A. Basic Salary: Rs. 2,00,000 per month
- B. Allowances and perquisites:



- i. In addition to the aforesaid basic salary, he shall be entitled for Leased Accommodation or House Rent Allowance and;
- ii. Perquisites the total value of which, wherever applicable, shall be computed as per the provisions of Income Tax Act, 1961 read with the applicable Income Tax Rules, as amended from time to time, and for the time being in force. In case of absence of any such Rule(s), the value of the said perquisite shall be computed at the actual cost incurred.

The total of above i.e. (i) & (ii) shall not exceed 1/4th of his basic salary per month.

C. Other terms:

- i. He shall be entitled to re-imbursement of actual out-of-pocket expenses incurred in connection with the business of the Company.
- ii. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the Company.
- iii. As long as he functions as Executive Director he shall not be paid any sitting fees to attend any meeting of the board and/or committee thereof.
- iv. He shall be entitled to earned/privileged leave as per the rules of the Company.

The Executive Director shall also be eligible to the following perquisites which shall not be included in the computation of ceiling on remuneration specified in the said Part II Section II of Schedule XIII of the Companies Act, 1956:

- a. Contribution to Provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c. Encashment of the leave at the end of the tenure.

RESOLVED FURTHER THAT in case of adequate profits in any financial year, the remuneration, as set out above, which forms a part of this resolution, payable to Mr. Sachit Kanwar, Executive Director, is subject to the condition that the total remuneration payable in that financial year, by way of basic salary, perquisites and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole-time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all the Managing/Whole-time Directors in accordance with the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII including any statutory amendments, modifications, or re-enactments thereof, as may be made thereto and for the time being in force or the higher remuneration as specifically approved by the Central Government.

RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Executive Director shall be entitled to remuneration by way of basic salary, perquisites and other allowances not exceeding the limits specified under Section II Part II of Schedule XIII of the Companies Act, 1956, as amended and for the time being in force including such amendments, modifications, revisions, or re-enactments, as may be made thereto by the Central Government in the said limits from time to time or the higher remuneration as specifically approved by the Central Government.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

9. To consider amendment in Articles of Association of the Company and pass the following as Special Resolution, with or without, modification(s):

RAUNAQ INTERNATIONAL LIMITED

“RESOLVED THAT the following Articles No. 14A and 14B be and is hereby inserted after Article No. 14 of the Articles of Association of the Company:

“Article 14A: Dematerialisation of Securities:

- a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities, rematerialize its securities held in the Depositories and offer its fresh securities in a dematerialized form pursuant to the Depositories Act, 1996, any rules framed thereunder, and any amendments, modifications, re-promulgation or re-enactment thereof.
- b) Every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is a beneficial owner of the securities can at anytime opt out of depository, if permitted and in the manner provided by law and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of security, and on receipt of the information, the depository shall enter in its record, the name of the allottee as beneficial owner of the securities.

- c) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956 ("the Act") shall apply to a depository in respect of the securities held by it, on behalf of the beneficial owners.
- d) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of affecting transfer of ownership or security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above the depository as the Registered owner of the securities shall not have any voting rights or other rights in respect of securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a depository.

- e) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository the records of a beneficial owner may be served by such depository on the Company by means of electronic mode, by floppy discs and pen drive etc.
- f) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor or transferee both of whom are entered as beneficial owners, in records of depository.
- g) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- h) Nothing contained in these Articles regarding the necessity of having distinctive number of securities issued by the Company shall apply to securities held with a depository.
- i) The Register and Index of beneficial owner maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and security holders for the purpose of such securities."

“Article No. 14B: Nomination of Securities:

Subject to the provisions of Section 109A of the Act and any regulations made in that behalf, the Company shall be entitled to accept nominations from its holders of securities."



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such act(s), deed(s) and thing(s) as deemed necessary to give effect to this resolution."

By Order of the Board

Ashish Pandey
Head (Secretarial)

Place : Faridabad.

Dated : July 4, 2009

NOTES:

- i. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint one or more proxies to attend and vote on a poll, instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing proxy (ies) must, however, be received at the Registered Office of the Company not less than forty eight hours before commencement of the Meeting.**
- ii. **NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING.**
- iii. Members/Proxies are requested to submit the enclosed Attendance Slip duly filled in and signed at the entrance of the venue 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 July 22, 2009 to July 30, 2009 (both days inclusive).
- vi. The documents referred to in the accompanying Notice and the Explanatory Statement and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 10:00 A. M. and 1:00 P. M. on all working days except Sundays up to the date of the 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 July 23, 2009 so as to enable the management to keep the information ready at the Meeting.
- viii. The equity shares of the Company are listed on the Delhi Stock Exchange Limited, DSE House, 3/1, Asaf Ali Road, New Delhi-110 002 and Annual Listing Fee has been paid to the Stock Exchange up-to-date.
- ix. If the dividend on shares as recommended by the Board of Directors is declared at the Meeting, payment of such dividend will be made on and after July 31, 2009 to those members whose names are on the Company's register of Members on July 22, 2009.
- x. Pursuant to Section 205C of the Companies Act, 1956, the unclaimed dividend upto the financial year 1999-2000 has already been deposited with the Investor Education and Protection Fund. As on date there is no unclaimed/unpaid dividend which is required to be transferred to Investor Education and Protection Fund.
- xi. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting. Therefore, members are requested to bring along their own copies to the Meeting.
- xii. Members are requested to intimate their dividend mandates like bank account number, type and bank addresses in which they intend to deposit the warrants. The banks details can also be printed on the warrants to avoid any incidence of fraudulent encashment.

The change in address, nomination etc, if any, to be effective must reach to the Registered Office of the Company by July 15, 2009. (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.

RAUNAQ INTERNATIONAL LIMITED

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

Item No. 5

Mr. Gautam Mukherjee, is a graduate from Punjab University, Chandigarh and worked at different levels in leading public and private sector banks including SBI, ICICI, ING Vysya. During his banking career, he handled credit portfolio of leading corporate houses of Northern India. He also worked for The Economic Times and wrote extensively on topics like Indian Economy, Steel, Banking & Finance, Labour etc. Further, he also worked for National Commodity & Derivative Exchange Ltd. (NCDEX) as Head – Corporate Communication. He also worked closely with Government of India agencies for promotion of awareness of futures trading among farmers. Presently, he is President (Finance) of Jamna Auto Industries Ltd. which is the leading manufacturer of spring leaves for commercial vehicles.

The Company has 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 Mr. Gautam Mukherjee for the office of Director liable to retire by rotation.

In view of his immense knowledge and varied experience, it is proposed to appoint him as rotational Director and accordingly, the resolution set out as Item no. 5 of the Notice is for the approval of the members.

Nature of Concern or Interest of Other Director (s)

None of the director except Mr. Gautam Mukherjee himself, is deemed to be interested or concerned in the resolution.

Item No. 6

Mr. G. Venkataraman has graduated in Electrical Engineering from University of Madras. He is also a Post Graduate in Business Administration and also done LL.B. from Osmania University. He has vast experience in Engineering, Construction and Consultancy services. Besides working for different Companies, he worked for National Thermal Power Corporation Limited, joined as Deputy Manager and rose to the position of Director on the NTPC Board in 1992. Presently, he takes up certain Arbitration Assignments as panel member or sole arbitrator and provides service as free lance consultant in the areas of procurement and Project Management in infrastructure areas.

The Company has 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 Mr. G. Venkataraman for the office of Director liable to retire by rotation.

In view of his immense knowledge and varied experience, it is proposed to appoint him as rotational Director and accordingly, the resolution set out as Item no. 6 of the Notice is for the approval of the members.

Nature of Concern or Interest of Other Director (s)

None of the director except Mr. G. Venkataraman himself, is deemed to be interested or concerned in the resolution.

Item No. 7

The Company has 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 Mr. Sachit Kanwar for the office of Director, who shall not be liable to retire by rotation.

Accordingly, the resolution set out as Item no. 7 of the Notice is for the approval of the members.

Nature of Concern or Interest of Other Director (s)

None of the director except Mr. Sachit Kanwar himself and his father, Mr. Surinder P. Kanwar, Chairman & Managing Director of the Company, are deemed to be interested or concerned in the resolution.

Item No. 8

Mr. Sachit Kanwar, born on 1st November, 1982, is the youngest son of Mr. Surinder P. Kanwar, Chairman & Managing Director of the Company. Mr. Sachit Kanwar is having a Canadian Citizenship and has obtained the status of Overseas Citizenship of India, granted by the Ministry of Home Affairs, Government of India. Further, Mr. Sachit Kanwar has Bachelor's Degree in Administrative Studies from York University-Atkinson Faculty of Liberal & Professional Studies, Toronto, ON. He is expertised in Microsoft Office Suite, Micros Point of Sale Systems and Windows Operating Systems etc. After completing his graduation in the year 2004, he worked as Corporate Sales/Lease Portfolio Manager, Airport Kia, Toronto, ON for a period of four years, where he got the experience in the fields such as dealership sales, lease portfolio management, fleet management sales and service management etc.



Mr. Sachit Kanwar joined the Company as Management Trainee on 1st April, 2008 and drew a consolidated monthly remuneration of Rs. 50,000/-. During his four years experience in Canada, Mr. Sachit Kanwar obtained decent exposure in marketing and sales. Further, on the job training in the Company for last one year has transformed his capabilities manifold to deal with the specialized business segment of the Company. Therefore, his appointment as Executive Director will strengthen the management of the Company and his overseas experience would benefit the Company in recognizing the new business opportunities.

Further, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the terms & conditions of remuneration are subject to the approval of the Shareholders in the ensuing Annual General Meeting by way of a Special Resolution, and subject to the approval of the Central Government, if required, in this regard, and further, subject to the approval of the institutions, as may be required. The terms of remuneration and other terms and conditions of appointment has also been approved by the Remuneration Committee and the Board of Directors of the Company in their meetings held on 23rd March, 2009.

The Board of Directors of your Company, therefore, recommends the passing of the Special Resolution as set out in the item No. 8 of the Notice.

Certified copy(ies) of the Resolution(s) recommended by the Remuneration Committee and approved by the Board of Directors in their meetings held on 23rd March, 2009 respectively, are available for inspection by the members of the Company at its Registered office during the office hours between 10.00 A.M. to 1.00 P.M. on all working days except Sundays upto the date of Annual General Meeting and shall also be available at the venue of the meeting.

Further, the Statement of Particulars as per Schedule XIII of the Companies Act, 1956 is attached to this Notice separately.

NATURE OF CONCERN OR INTEREST OF OTHER DIRECTOR(S)

Except, Mr. Sachit Kanwar himself, and his father Mr. Surinder P. Kanwar, Chairman & Managing Director of the Company, no other director is concerned or interested in the passing of the above resolution as set out in Item No. 8.

Item No. 9

Consequent upon the enactment of the Depository Act, 1996 and the introduction of the depository system, certain provisions of the Companies Act, 1956 related to issue, transfer and other dealing in shares and other securities and also share/security certificates have been amended in consonance with the amendments incorporated in the Companies act, 1956 as stated above, it has become necessary to amend the Articles of Association of the Company so as to enable the Company to participate in the depository system.

Further, in view of the enactments the Companies act 1956 the nomination facility has also been extended for securities. As such the provisions relating to nomination is being incorporated in the Articles.

The members are requested to accord their approval to the alterations of Articles of Association of the Company.

NATURE OF CONCERN OR INTEREST OF OTHER DIRECTOR(S)

None of the directors of the Company is concerned or interested in the resolution as set out in Item no. 9.

By Order of the Board

Ashish Pandey
Head (Secretarial)

Place : Faridabad.
Dated : July 4, 2009

RAUNAQ INTERNATIONAL LIMITED

STATEMENT OF PARTICULARS (PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956)

I. GENERAL INFORMATION

Sl. No	Particulars/Subject	Information
1.	Nature of industry	Mechanical Construction including EPC jobs.
2.	Date or expected date of commencement of commercial production	24 th April, 1965
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
4.	Financial performance based on given indicators	In the financial year 2007-2008, the Company posted turnover of Rs. 43.34 Crores and Profit Before Tax (PBT) of Rs. 3.42 Crores. In the financial year 2008-2009, the Company registered higher turnover of Rs. 60.51 Crores and higher PBT of Rs. 4.88 Crores. The Company has been doing well and improving decently on the growth path. The position of Company is expected to grow at higher pace in forthcoming years.
5.	Export performance and net foreign exchange collections	NIL
6.	Foreign Investments or collaborators, if any.	NIL

II. INFORMATION ABOUT THE APPOINTEE

Sl. No	Particulars/ Subject	Information
1.	Back ground details	Mr. Sachit Kanwar, born on 1 st November, 1982, is the youngest son of Mr. Surinder P. Kanwar, Chairman & Managing Director of the Company. Mr. Sachit Kanwar is having a Canadian Citizenship and has obtained the status of Overseas Citizenship of India, granted by the Ministry of Home Affairs, Government of India. Further, Mr. Sachit Kanwar has Bachelor's Degree in Administrative Studies from York University-Atkinson Faculty of Liberal & Professional Studies, Toronto, ON. He has gained expertise in areas such as Microsoft Office Suite, Micros Point of Sale Systems and Windows Operating Systems etc. After completing his graduation in the year 2004, he worked as Corporate Sales/Lease Portfolio Manager, Airport Kia, Toronto ON for a period of four years, where he got the experience in the fields such as dealership sales, lease portfolio management, fleet management sales and service management etc.
2.	Past remuneration	Mr. Sachit Kanwar joined the Company as Management Trainee on 1 st April, 2008 and had been drawing a consolidated monthly remuneration of Rs. 50,000/- (Rupees fifty thousands only).
3.	Recognition or awards	